

4.3.12 MINISTER FOR LAND AND WATER CONSERVATION

OVERVIEW

Agency	Forecast 1995-96	Estimate 1996-97	Variation
	\$m	\$m	%
Department of Land and Water Conservation			
Current Payments	329.4	404.2	22.7
Capital Payments	161.0	159.3	(-) 1.1
Total, Minister for Land and Water Conservation	490.4	563.5	14.9

The major factors in the increase in 1996-97 Current Payments compared with the previous year are the payment of an additional \$54 million for the Forestry Industry Reform Package and an additional \$8 million for the Murray and other irrigation areas Land and Water Management Plans.

Capital payments for the Department of Land and Water Conservation in 1996-97 are focused on works currently in progress; including \$5.7 million for land information systems, \$3.4 million for flood security investigations and upgrade and \$2.1 million for State Recreation Areas infrastructure improvements. An increase of \$6 million has been provided for establishment of hardwood plantations and \$700,000 included for reconstruction of the jetty at Ulladulla.

DEPARTMENT OF LAND AND WATER CONSERVATION

Expenditure Trends and Recent Developments

Recent major developments include -

- \$120 million being provided over 5 years from 1995-96 for the Forestry Industry Structural Adjustment Package, funded dollar for dollar with the Commonwealth;
- implementation of approved Land and Water Management Plans commencing at Berriquin, Wakool, Cadell and Denimein (negotiations will commence for acceptance of plans being developed for Coleambally, Murrumbidgee and Jemalong with some implementation in 1996-97);
- the Department, the Local Government and Shires Association and local councils having carried out a pilot benchmarking project which has identified potential savings of about 25 per cent on operation costs for sewerage collection and transport;
- the Department has been coordinating the Government's West 2000 initiative (an integrated adjustment and recovery program for the Western Division);

- increased funding towards improving community facilities through State Recreation Areas improvements and reconstruction of the jetty at Ulladulla; and
- special funding for a series of initiatives relating to bushfire management and rehabilitation of Crown land, including ongoing funding of \$750,000 for Public Land Management.

Strategic Directions

The Department of Land and Water Conservation manages the State's land, vegetation, water and coastal resources to achieve the mix of social, economic and environmental outcomes most acceptable to the community. It promotes and facilitates Integrated Natural Resource Management to achieve clean, healthy and productive catchments for the twenty-first century. The Department's four key result areas and associated key performance statements are -

- **Healthy and Productive Ecosystems:** Within the next five years, there is a significant, proven and continuing improvement in the health of the ecosystems of New South Wales, and in the productivity of our natural resources;
- **Security of Access to Resources:** Move towards clarifying the rights resource users have to access to natural resources, for their present and future needs;
- **Community Awareness and Responsibility for Natural Resources:** The community and all stakeholders are aware of and take responsibility for their use and sustainable management of natural resources; and
- **Information and Knowledge Base:** Any stakeholder who needs natural resources related information to make a management decision can easily access quality information from a convenient location.

The Department is responding to Government policy directions, emerging priorities and changes to service delivery mechanisms in a number of ways -

- integrated resource management is being promoted through institutional reforms, inter-agency forums and developing integrated legislative, policy and planning frameworks;
- micro-economic reforms including pricing reform, deregulation, structural adjustment and commercialisation and corporatisation;
- reforms to natural resource management are being made through such mechanisms as environmental allocations for river flows, Total Catchment Management arrangements, catchment planning and the establishment of Government advisory mechanisms; and
- Government accountability and cost effectiveness are being improved through strategies including contractual budgeting, adopting funder/provider models and program review mechanisms.

Resource allocation processes within the Department have been designed to respond to the above strategic directions.

1996-97 Budget

Current Payments

Some \$404 million will be available in 1996-97 for recurrent costs of the Department.

Major allocations include -

- an additional \$0.8 million for Rivercare, raising the total budget to some \$4.0 million. This will allow up to a further 75 community based improvement projects to be funded;
- \$66 million for the Forestry Industry Structural Adjustment Package (a total of \$120 million over the period 1995-96 to 1999-2000) towards schemes for Workers Assistance, Business Exit Assistance and Industry Development, funded dollar for dollar with the Commonwealth;
- \$22.5 million for Irrigation Areas and Districts works including implementation of the Land and Water Management Plans;
- \$5 million ongoing funding for the Total Catchment Management Program;
- \$13.2 million for the State's subsidy to Irrigation Areas and Districts;
- \$2 million for rehabilitating Artesian Bores;
- \$3.8 million for Valley Strategic Planning;
- \$17.1 million as the State's contribution towards the Murray Darling Basin Commission operating costs;
- \$3 million for the SEPP No. 46 program for 1996-97, to ensure the effective implementation of native vegetation management in New South Wales;
- \$4 million for the Willandra Lakes socio-economic package to address impact of World Heritage listing, including dollar for dollar Commonwealth funding; and
- \$0.8 million for the West 2000 integrated adjustment and recovery program for the Western Division.

Capital Payments

Major capital projects for 1996-97 include -

- the additional \$4 million per annum State funds being provided over the four years to 1998-99 for floodworks to address the current backlog;
- the additional \$3 million per annum Commonwealth funding to be available for floodworks from 1996-97;
- \$14.1 million to further accelerate the establishment of hardwood plantations from 3,000 ha in 1995-96 to 5,000 ha in 1996-97;
- \$1.3 million for flood security investigations for Chaffey, Copeton, Keepit and Burrendong Dams;
- \$2.1 million on progression of Burrinjuck Dam flood security upgrade;
- \$0.6 million on automation of major regulatory weirs;
- \$55 million State funds towards a total \$67 million program in 1996-97 for the Country Towns Water Supply and Sewerage Scheme. On average, 80 country town water supply and sewerage schemes will be under construction during the year;
- \$0.7 million has been provided for the reconstruction of the fishermen's jetty at Ulladulla;
- \$2.4 million for the continued development of the Crown Land Information Data Base;
- \$3.3 million on the Digitisation of Land Information; and
- \$2.1 million for infrastructure projects on State Recreation Areas.

LEGISLATIVE COUNCIL ESTIMATES COMMITTEES

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Estimates Committee No. 3

Monday, 30 October 1995

LAND AND WATER CONSERVATION

The Committee met at 2.00 p.m.

MEMBERS

The Hon. I. M. Macdonald (Chair)

The Hon. I. Cohen
The Hon. Jennifer Gardiner
The Hon. R. S. L. Jones
The Hon. J. Kaldis

The Hon. M. R. Kersten
The Hon. E. M. Obeid
The Hon. Janelle Saffin

PRESENT

The Hon. K. M. Yeadon, Minister for Land and Water Conservation

Executive

Dr Col Gellatly, *Director General*
Mr Peter Millington, *Deputy Director General*
Mr Warren Martin, *Director, Regions*

Integrated National Resource Program

Mr John Halkett, *Acting Assistant Director, Office of Natural Resource Policy*

State Water Management Program

Mr Peter Mackenzie, *Director, Urban Water*
Mr Brian Haisman, *Director, Intra State Water*

Integrated Catchment Management Program

Dr Ian Garrard, *Director, Soil and Vegetation*
Mr John Verhoven, *Director, Catchment Management and Community Services*
Mr Mike Geary, *Director, Coastal Management*

State Land Management Program

Mr Michael Ockwell, *Executive Director, State Lands Services*
Ms Susan Cleary, *Deputy Director, State Lands Services*
Mr Des Mooney, *General Manager, Land Information Centre*

Administration

Ms Susan Kemp, *Director, Corporate Services*
Mr Alex Smith, *General Manager, Government Relations and Executive Services*
Mr Murray Sheather, *Manager Corporate Finance*
Mr Bob Muldoon, *Manager Corporate Financial Planning*

Valuer General's Office

Mr Peter Cunningham, *Valuer General*

Land Titles Office

Mr Kevin Nettle, *Director, Land Titles Office*

Lake Illawarra Authority
Mr Doug Prosser, Chairman

State Forests
Dr Hans Drielsma, Managing Director
Mr Dominic Staun, General Manager, Corporate Services

CHAIR: I welcome everyone, and note that we have a most impressive visitation here this afternoon. At this meeting the Committee will examine the proposed expenditure from the Consolidated Fund for the portfolio of land and water conservation.

Motion by the Hon. E. M. Obeid agreed to:

That in accordance with the resolution of the Legislative Council of 11 October 1994, the Committee authorises the sound and television of broadcasting as appropriate, of its public proceedings, unless otherwise ordered.

CHAIR: I declare that the Committee will handle questions in the following way: first there shall be 20 minutes of Government questions, then 20 minutes of crossbench questions and 20 minutes of Opposition questions for this section. The Committee will stop at the conclusion of that, which should be around 3.05 p.m., for about 15 minutes for a coffee break. I declare the proposed expenditure for the Department of Land and Water Conservation open for examination.

The Hon. J. KALDIS: I refer the Minister to Budget Paper No. 3, Volume 2, at page 513, subprogram 51.3.1, Catchment Management and Community Services. Could the Minister indicate what funding will be provided in this subprogram to support water catchment management in New South Wales?

Mr YEADON: Total catchment management, TCM, is a partnership between the community and the Government. It is about cooperation and integration of activities to address natural resources management issues in New South Wales and has been progressively implemented with bipartisan support in New South Wales since the proclamation of the Catchment Management Act in 1989. Ninety-nine per cent of this State is covered under TCM structure and I am currently considering options for the remaining area, Sydney Harbour catchment, which includes the Parramatta River below the weir at Parramatta. The Carr Government has a strong commitment to TCM philosophy, as evidenced by the bringing together of the former Department of Conservation and Land Management and the Department of Water Resources and related functions from within the Public Works Department.

The improved institutional arrangement of the new Department of Land and Water Conservation will enhance coordination and ensure a more holistic approach to natural resources management in New

South Wales. The Government has allocated \$5 million as an enhancement to TCM to fund community action, including group projects which assist in delivering the Government's agenda of sustainable natural resources management. The bulk of this enhancement will be distributed by the TCM structure to provide essential funding for joint venture community group projects that undertake works out on the ground. These projects will be for the implementation of catchment and regional plans which have high community benefit in social, economic and environmental terms. The funds will be matched dollar for dollar by the applicants, realising a minimum of \$6 million for natural resources management activity and potentially much more than that in the future.

The \$5 million allocation will keep faith with the community in demonstrating the commitment of the Labor Government to total catchment management. It will provide funds to the highly successful and visible LandCare movement and ensure ongoing community group activity on natural resources and management issues. Total catchment management in New South Wales is a model for integrated catchment management in Australia. The Government certainly wants to ensure that it continues, and that it receives international recognition, because it is an effective program which integrates partnership between the Government and the community. The funds that have been allocated will allow continued excellence in coordinated and cooperative implementation in relation to TCM.

The Hon. E. M. OBEID: I refer the Minister to Budget Paper No. 3, Volume 2, page 503 and the forest policy program. An allocation of \$35 million is provided for a forestry industry restructure package. Could the Minister explain why these funds are required and how they will be expended?

Mr YEADON: The appropriation of \$35 million is the first instalment of a five-year, \$60 million forest structural adjustment package which forms part of the Government's historic forestry reforms. The budget allocation meets the funding commitments outlined in the Government's forest policy, a comprehensive policy 18 pages in length, which the Labor Party took to the election. The reforms underline the Government's clear commitment to implementing the measures envisaged in the national forest policy statement and the Government's own forest policy. The structural adjustment package underpins the Government's

forest conservation reforms. The Government recognises that people affected by its conservation reforms ought to be provided with appropriate assistance. Draft guidelines for assistance under this package are currently the subject of consultation with relevant stakeholders, including conservationists, industry and unions.

The Government's forestry reforms will ensure a viable sawlog-driven timber industry and will protect areas of forest with high conservation value. There will be a transition from logging old-growth and wilderness forest towards a reliance on plantation and regrowth forest, and an increased emphasis on value adding in the timber processing area. Logging has already been transferred from high conservation value old-growth and wilderness forest to essentially regrowth and plantation. An early assessment is being undertaken by the Resource and Conservation Assessment Council that the Government has set up as part of its reform agenda. The council is charged with undertaking environmental assessment, which includes the identification of forest areas of high conservation value. When that assessment is completed, which is expected to be around mid-1996, a moratorium will be placed on those areas identified as having high-conservation value, pending the completion of a regional forest agreement or agreements.

To bring the timber industry into a sustainable yield basis, hardwood sawlog quotas will be reduced by 30 per cent from July 1996 in coastal regions and 40 per cent in the Eden management area. The Government made a major announcement in that regard on 13 June this year. The reduction would have been necessary even if no other decisions had been taken, simply because past levels of logging were too high and unsustainable. Given that 46 per cent of quota-quality sawlogs have been sourced from old-growth forests, the Government's announced reforms will have some impact on the hardwood industry and on employment levels. The Government's reforms will require an acceleration of the process of industry restructuring. The process includes the following elements: increased capability to saw regrowth hardwood logs; increased utilisation of every log taken to a mill; a shift in market focus from market sectors where hardwoods are in competition with softwoods, instead putting a concentration on end uses in which the intrinsic qualities of hardwoods, for example, strength, durability and beauty, give them an advantage in the market; increased value adding, including kiln drying and further processing of dried timber; the transfer of some investment and employment to the rapidly growing softwood sector, which is already very much under way; and development of the domestic processing of small woods including medium-density fibre board, pulp and so on.

In 1995-96, \$35 million is being appropriated for the structural adjustment package, which is being designated to provide assistance with

redeployment, relocation, retraining and, as a last resort, redundancy measures for timber workers in the industry. Key features include: the development of specific training courses; training allowances, assistance with books and other training materials; relocation assistance of up to \$20,000, which will be by receipt; a special redundancy payment a little above award standard; compensation for log supply and transport contractors; and programs to assist industry to adapt to different log supplies and to increase value-added processing of forest products. The structural adjustment package will be overseen by a tripartite committee with representatives of employers, the union and the Government. A tribunal will assess claims by log-supply and transport contractors within the industry. Administration of the package will be managed by a specifically established unit within the Department of Land and Water Conservation.

Legislation is being passed through the Parliament allowing funds to be made available from the environmental trusts—I am sure that all honourable members will recall that legislation going through the Parliament last week. The allocation of funds from this source is evidence of the high priority placed by this Government on the need to protect native forests of high conservation value. The Commonwealth Government is committed to provide supplementary financial assistance towards the total cost of the package in order to achieve the objectives of the national forest policy statement. Details of arrangements for Commonwealth-State cooperation in delivering the package are now being finalised, with discussions going on with the Federal Government. The forest industry restructure package is tangible evidence that the Government is committed to support both forest conservation and a viable forest industry.

The Hon. J. KALDIS: I refer to Budget Paper No. 3, Volume 2, at page 519, program 51.3, Integrated Catchment Management Services. A sum of \$1,499,000 has been allocated under other operating expenses for programs including the implementation of State environmental planning policy 46. Could the Minister please explain what the funds are to be used for and what is the purpose of SEPP 46?

Mr YEADON: Despite the appearance of some raging controversy, the Government believes that SEPP 46 is working well and effectively. The clearing of native vegetation causes biodiversity loss and land degradation problems such as rising ground water, dry land salinity, soil structural decline and soil acidification. Figures released by the National Parks and Wildlife Service indicate that between 1974 and 1989, 60 per cent of native vegetation on the western slopes of New South Wales had been cleared. I recently released dry land salinity maps that show that up five million hectares or 6 per cent of the State could be at risk from dry land salinity. Native vegetation clearing is a major contributing

factor to the rising watertables which cause the dry land salinity.

In recognition of the need to achieve environmental objectives of land degradation control, biodiversity and conservation of wildlife habitat, balanced with ongoing sustainable production, the Government has introduced State environmental planning policy 46. SEPP 46 requires proponents of broad-scale clearing, unless exempt, to obtain consent from the Department of Land and Water Conservation before undertaking that broad-scale clearing. SEPP 46 contains 12 exemptions which allow land-holders to continue with sensible and sustainable farm management practices. The exemptions are for operations such as: lopping of vegetation for stock feed in periods of drought, clearing to remove noxious weeds, clearing for the construction of fences and sheds, and clearing for public utilities and emergency work. This means that most farmers can get on with managing their land responsibly. The exemptions provide a fair range of scope for ongoing activities.

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All applications lodged with the department under the SEPP are required to be dealt with within 60 days to ensure that we do not get any bottlenecks or backlogs. The first application for clearing under the policy has been granted to a land-holder on the Northern Tablelands, which is proof that it does work. This approval will allow the land-holder to clear 140 hectares, which is a sizeable amount of land, and he has 430 hectares of native vegetation on his property. This proves that the approval processes for clearing under the SEPP allow for reasonable and responsible clearing. As I said, 140 hectares is not an insignificant amount of land. State environmental planning policy 46 is an interim measure and it is in the first phase of a four-phased approach by the Government to improve protection and management of native vegetation. A public consultation on the monitoring phase has been initiated and will run concurrently with the SEPP in the first 12 to 18 months. During that time its performance will be reviewed, leading to possible modification of the SEPP or, perhaps, specific native vegetation legislation. That will be phase three.

The final phase of the strategy involves a reduction in regulations and integration of vegetation management within the broader cooperative total catchment management program. That comes back to the point I was making earlier, that the Government clearly wants to work very much in partnership with the community, and the vehicle for doing that is through the TCM process. The community consultation process on the SEPP is under way. Information sessions have been provided to a number of groups such as the north west catchment management executive, Liverpool Plains Land Management Committee, rice farmers at Hay, the Cattlemen's Union, graziers at Niangala and farmers at Cooma. In all, the Department of

Land and Water Conservation has held 40 public forums and workshops throughout New South Wales to explain the SEPP and to also get feedback and input from people down on the ground.

The New South Wales vegetation forum is acting as the focus for the consultation process and it has already met on a number of occasions. It includes representatives from the Department of Land and Water Conservation, the National Parks and Wildlife Service, State Forests, the Department of Planning, the Environment Protection Authority, New South Wales Agriculture, Greening Australia and the Local Government and Shires Association, the New South Wales Farmers Association, the Nature Conservation Council and the Total Environment Centre. As well as these consultation mechanisms, and to ensure that there is a whole-of-government approach, working groups have been set up in the eight Department of Land and Water Conservation regions.

These working groups include officers from the Department of Land and Water Conservation, New South Wales Agriculture and the National Parks and Wildlife Service. They will ensure that the SEPP is implemented consistently and that applications are processed as quickly as possible. Integral to the success of SEPP 46 and the objectives of fostering a better community understanding and appreciation of the value of native vegetation and its role in environmental quality, is the need to ensure that there is adequate resourcing. This will involve staff in addressing land-holder inquiries and assisting in preparation of applications and vegetation management plans. There has been a lot of activity in that area since the SEPP's introduction as people have contacted the department to get further information so that they know what they have to do.

There is also investigating and reporting on alleged breaches and developing strategies to assist with the move from regulation to integration of vegetation management into the total catchment management structure. In order to achieve these objectives the Department of Land and Water Conservation will allocate \$1.26 million, which will be used to employ specialist vegetation management offices in key areas of the State. Those areas include Grafton, Dubbo, Armidale, Hay, Moree, Queanbeyan, Wagga Wagga, Bathurst and the Hunter Valley. As indicated in the phased approach that I have already mentioned, the Government's ultimate objective is to reduce regulation and achieve improved native vegetation management through cooperative processes of total catchment management. Through that vegetation management plans will be implemented on a property and a regional catchment basis and become an integral component of the land-holder's normal farm management practices.

That is really what the Government is about,

firstly setting a broad framework for vegetation, and indeed other environmental management issues, as the top of the structure or the first phase, and underneath that the framework provides clear guidelines for other organisations and individuals to work effectively within that broader framework, through farm management plans, regional plans and the like. I believe this approach is exemplified through the vegetation management strategy contained in the Murray River regional environmental plan, which was formulated in a cooperative manner between the Government and the community, and the fact that this area has been excluded from State environmental planning policy 46. The key to achieving this objective is to ensure the successful implementation of the Government's four-phased strategy, and the resourcing of the SEPP, as I have indicated, is a clear indication that the Government's commitment is very strong in terms of this process.

The Hon. JANELLE SAFFIN: My question relates to Budget Paper No. 3, volume 2, page 500, subprogram 51.1.2 Integrated and Strategic Natural Resources Policy. An amount of \$4.4 million has been allocated for policy analysis and development. Will the Minister explain how this money will be spent?

Mr YEADON: On its election, the Government moved quickly to amalgamate the responsibilities of a number of different agencies that previously had a whole range of overlapping responsibilities for natural resource management and created the Department of Land and Water Conservation. For the first time in New South Wales one department now has responsibility for entire catchments. Land and water will be administered together just as they logically occur in nature, which of course is together. This is critically important for policy development and it is going to ensure that there is less duplication of effort and confusion amongst natural resource users and within the wider community. As part of the merger the Government believed a high level policy office was needed to ensure coordinated policy development of the highest quality. This is in line with the Government's commitment to improve the management of our natural resources and to work in partnership with the community to repair our degraded lands and waterways.

Accordingly, the Government created the Office of Natural Resources Policy to amalgamate the strategic policy functions of the previous individual departments—the Department of Water Resources, the Department of Conservation and Land Management, the Office of Water and the Office of Forestry, and the water services policy division of the Department of Public Works. The Government has required the department to deliver a number of key policy initiatives. They include a forest reform protection package, native vegetation protection, and management of water policy

reforms. I am sure all honourable members will be familiar with those.

The Hon. I. COHEN: I refer the Minister to Budget Paper No. 3, volume 2, page 503, program 51.1, Integrated Natural Resources Policy. My question relates to subprogram 51.1.3, Forest Policy, and in particular to the line item that refers to State Forests hardwood plantations and the Government's contribution of \$8,500,000, and the line item that refers to the Government's contribution to State Forests of New South Wales totalling \$14,557,000. For what specific purposes or projects have those funds been provided? What outcome measures will be applied to determine the effectiveness of these grants and subsidies? How much of community service payments are spent on any form of recreational facilities? Is the Minister satisfied that there is no cross-subsidy between different operations of State Forests, and in particular its pine plantations and native forest hardwood operations?

Mr YEADON: State Forests is a government trading enterprise and its performance is judged on its ability to maximise its commercial result. To ensure that commercial performance is accurately assessed and clearly distinguished from the cost of community service obligations undertaken on behalf of the Government, these non-commercial activities are separately funded. They appear in the budget as grants to State Forests of New South Wales and the estimate for 1994-95 is \$14.5575 million. The Government places a high priority on the establishment of hardwood plantations as part of its overall forestry reform agenda. It has provided for an increase in expenditure on this item of \$8.5 million and this is shown as a separate item under the line item referring to grants and subsidies. Accordingly, the provisions of grants to State Forests of New South Wales to cover community service obligations is correspondingly reduced by \$5 million in 1995-96.

The non-commercial activities to be funded by way of grant and carried out by State Forests as part of its overall operation and priorities are established under the forest policies program. The multiple use of State forests, particularly for recreational activities, has long been recognised and now assumes increasing importance with the growing interest in ecotourism, and the Government is certainly committed to developing ecotourism. Access to State forests for tourism and recreation also relieves pressure on national parks and other conservation reserves. The question often arises in respect of national parks that if there is too much pressure from visitation it will eventually begin to have an adverse effect on the environmental values of those parks. For the benefit of individuals, families and communities—and with a minor exception, no commercial return is obtained from State forest recreational activities—facilities such as picnic areas, camping sites, walking trails, roads, et

cetera, need to be maintained. I might give more detail on that to the Committee when forestry questions are raised in general.

The Hon. R. S. L. JONES: My question relates to Budget Paper No. 3, volume 2, page 506 and the line referring to the capital program, also Budget Paper No. 2, page 5-58. Why are irrigators contributing only 25 per cent of the \$68.8 million for the Pindari Dam enlargement by way of additional water charges over a period of 17 years? As the dam is specifically designed to benefit irrigators, why are irrigators not paying for the cost of the dam enlargement? Is it not a fact that in the Council of Australian Governments agreement, as published on page 24 of the report of the working group on water resource policy of COAG, it is stated that full costs recovery should be achieved for rural water pricing by 2001?

CHAIR: Would the honourable member repeat the line item?

The Hon. R. S. L. JONES: Budget Paper No. 3, volume 2, page 506, and the line item referred to the capital program; and Budget Paper No. 2 at 558 is a further reference.

Mr YEADON: The department has enlarged Pindari Dam to improve security of water supply for New South Wales irrigators along the Murray-Macintyre-Barwon river system. The new spillway has addressed a shortfall in the flood discharge capacity of the dam. The storage capacity has been increased to 312,000 megalitres from 37,500 megalitres. Reliability of supply to downstream water users will increase by about 70 per cent, and it is estimated that the value of cotton exports could increase by \$39 million per annum. There was a joint venture with the Government, and irrigators will pay \$37.5 million towards the cost of the dam at a rate of \$8 per megalitre, indexed at 5 per cent per annum for all water taken in addition to normal water charges. Payment will continue until the \$37.5 million is reached. The additional water will be allocated to existing licence holders by way of increased reliability.

A major contract for construction work by joint venturers Baulderstone Hornibrook and Roche Brothers was completed on 30 April 1995. The enlarged dam was opened by the Premier on 14 September 1995, and I had the opportunity to travel to that opening with the Premier.

Remaining construction works are programmed for completion in 1995. Tasks under the environmental management plan will continue until the year 2000. The estimated cost of the project has been reduced from \$75 million to \$68.8 million, including \$54 million for contract work. Construction is proceeding ahead of schedule. Some \$61.5 million has been spent on the project up to September 1995. The hydro company

partnership holds a commercially based option to develop the small hydropower plant at the dam, and it is expected that a final decision will be made in 1995 in this regard.

Honourable members will know that this project was initiated under the previous Government, so that any questions in relation to the allocation or in respect of the division of funding in relation to the project rests back then rather than now that it is set in place. In relation to the Council of Australian Governments, I indicate that the Government is moving to full cost recovery in relation to rural water pricing, as the Government announced in its water reform policies released a number of weeks ago, and a reference is being made to the Government Pricing Tribunal in order to progress that matter.

The Hon. R. S. L. JONES: I ask a supplementary question. As taxpayers are subsidising irrigators to the tune of over \$30 million, why is your Government not attempting to recover that cost through increased charges, rather than going along with the deal made by the previous Government?

Mr YEADON: The agenda for Pindari has been set in place. We are moving to cost recovery generally in respect of rural water prices. Those arrangements are basically already in place, and were in place before this Government came to power.

The Hon. R. S. L. JONES: I ask a further supplementary question. Will you guarantee that no deals like this will be made again whereby taxpayers have to subsidise irrigators?

Mr YEADON: I will not give that guarantee. One thing we can look forward to is the Government Pricing Tribunal coming back with a response that will deal with a whole range of issues, if not a full and comprehensive review of rural bulk water pricing. We will see what the Government Pricing Tribunal has to say about these types of matters and ventures. The Government undoubtedly will, in the future, formulate a policy on the matters that the honourable member raised relating to Pindari following the Government Pricing Tribunal's report on its investigation.

The Hon. I. COHEN: The following questions refer to program 51.3, Integrated Catchment Management Services, page 513. The Department of Land and Water Conservation budget provides \$632,000 for estuary management of Lake Illawarra as part of its capital program. It is in Budget Paper No. 4, State Capital Program, page 49. Have any funds, capital or otherwise, been allocated for the establishment of a water quality and habitat monitoring program for the lake? Have any funds, capital or otherwise, been allocated for the preparation of a restoration management plan for the lake? When will such a plan be produced?

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Have any government funds, capital or otherwise, been allocated for use by the Lake Illawarra Authority? What funds have been budgeted for allocation to the Illawarra Catchment Management Committee when it is transferred from the Environment Protection Authority? What funds have been allocated for enhancing the integration of the catchment management committee and the authority? Is the existence of two bodies for one catchment justified on a cost basis? If the Lake Illawarra Authority goes ahead with its proposal to mine sand in sensitive sea grass and fish habitat in the lake, will the funds provided by the department be reduced, and by how much?

Mr YEADON: That is a lengthy question. I do not like to disappoint the honourable member, but it is my understanding that references to Budget Paper No. 4 capital funding are outside the terms of the Committee's deliberations.

CHAIR: The question should relate to Budget Paper No. 3. The honourable member has sought further information. The Minister may choose to take the question on notice.

Mr YEADON: I will answer the question if the honourable member can provide a reference for it in Budget Paper No. 3.

The Hon. R. S. L. JONES: While my colleague is reconsidering his question, I would like to refer the Minister to the \$35 million forestry industry restructure package. Minister, you referred a moment ago to the Commonwealth contribution to this matter. Can you confirm that the Commonwealth contribution will be on a dollar-for-dollar basis? When will that contribution be forthcoming?

Mr YEADON: No, I cannot confirm that because discussions are taking place with the Federal Government in relation to what funding may be available. Those discussions have not concluded.

The Hon. R. S. L. JONES: Could you guess as to whether it would be on a dollar-for-dollar basis?

Mr YEADON: If I had my way, the contribution would be above and beyond dollar-for-dollar funding; it would be \$2 for \$1, or even more. But, what I want and what I get probably will be two different things. This Government is placing much emphasis on what is occurring in this State in relation to conservation measures under our policy and the restructuring of the timber industry. The Government's forest policy has always been on the approach that the two issues of conservation and forest restructure package are of equal importance. The Government is advancing them on that basis. It is arguing vigorously with the Federal Government that New South Wales is providing the greatest impetus for advancing conservation measures and, as a result of that, industry restructure also. The

Government believes that should be recognised by the Federal Government and that money should be made available.

I know that the Federal Government is developing a national timber industry development strategy. Such an initiative is certainly not exclusive to New South Wales. It is my understanding that the Federal Government will make available funding for that strategy. Through vehicles such as that, because New South Wales has been at the forefront of implementation of the national forest policy statement and the general advancement of conservation and forestry matters, this State should be recognised as a worthy recipient of funding. It should be entitled, as a minimum, to dollar-for-dollar funding to a matching of the \$60 million that has been made available by this Government for industry restructuring over the next five years.

The legislation that went through this Parliament last week to give access to environmental trusts, which is where the \$60 million is being accessed from, puts this Government in a much stronger position to approach the Federal Government. Prior to the passing of that legislation the Government was simply asking the Federal Government for assistance and for dollar-for-dollar funding when we did not even have an assurance of available State funding if the Government had run into trouble in having the bill passed through the upper House. Now that that bill has been passed by the upper House, there are no real barriers standing in the way of the State Government moving to advance its forestry and timber policy. We are putting it on that basis to the Federal Government. I remain ever hopeful that we will get from the Federal Government an amount of money that, as a minimum, will be on a dollar-for-dollar basis.

The Hon. R. S. L. JONES: I ask a supplementary question. Minister, would you seek assurance from the Prime Minister that the money will be in our bank account before the next Federal election?

Mr YEADON: I certainly will be emphasising that point. If things move in an appropriate way, these issues will be resolved in one way or another over the next month or so. I anticipate that that may be somewhat before a Federal election takes place, but I will be putting emphasis on getting the money before the Federal election—not that I think the Prime Minister will not be there after the next election, but to ensure that New South Wales gets the money as soon as it can.

The Hon. I. COHEN: Mr Chairman, I will defer asking my question.

The Hon. R. S. L. JONES: I ask a question in relation to the capital program in Budget Paper No. 3, Volume 2, page 503. I refer also to Budget

Paper No. 4, pages 86 and 87 as a further reference, State Forests, major works. With regard to the item "road maintenance southern region, Eden", given that most compartments in the Eden district have already met their current logging quotas, why is it necessary to spend \$910,000 maintaining the roads? Is it standard practice to charge the cost of the roading for each compartment against the royalty received from that compartment? If not, why not?

Mr YEADON: I understand that this segment of the Committee's deliberations is to deal with land and water issues and that time is set aside later in these proceedings for forestry matters. I wonder whether we could confine questions at this stage to land and water issues.

The Hon. R. S. L. JONES: I refer to Budget Paper No. 3, Volume 2, page 503, capital program, with reference to the Murray-Darling Basin nutrient reduction environment program, which is also to be found on page 50 of Budget Paper No. 4, with an expenditure of \$8 million this year. Could the Minister explain how that money will be spent and how it will bring about a reduction in the nutrient lode in the Murray-Darling?

Mr YEADON: Could I ask for the reference again?

The Hon. R. S. L. JONES: I am sorry, it is page 506. [*Time expired.*]

The Hon. M. R. KERSTEN: I refer to Budget Paper No. 3, Volume 2, page 496, operating statement, for the line item employee related expenses. The department either has or is about to issue T-shirts to its employees. Can the Minister provide the cost of this exercise to the taxpayer and advise whether staff have been requested not to use these T-shirts for washing cars?

Mr YEADON: I will ask Mr Millington to respond to that question.

Mr MILLINGTON: In creating the new department, we were very keen to try to establish an identity and morale to overcome as quickly as we could the difficulties with bringing together three or four different groups into the one organisation. It is relatively common to attempt to do that in a fairly simple and meaningful way, one of which is by creating cheap T-shirts at a cost of about \$5 each. The aim of this exercise was to make a tangible start to the new department, but in a cost effective and cheap way. The basic T-shirts that were given out cost about \$5 or \$6 each.

The Hon. M. R. KERSTEN: Mr Chairman, I ask a supplementary question. I have asked the Minister whether or not staff have been requested not to use these T-shirts for washing cars. I refer specifically to the department's publication the "Telegraph Merger", information update No. 7, the section on T-shirts.

Mr MILLINGTON: That was a little bit of humour in the "Telegraph Merger". The T-shirts are clearly there to engender team work, team spirit. I think it was making clear in a humorous way that they were certainly not there to wash cars.

The Hon. M. R. KERSTEN: I have a supplementary question, Mr Chairman.

CHAIR: It will have to refer more specifically to the line item. We are not here to discuss the image of the department; we are here to discuss the budget. You will have to relate your question to the budget more narrowly.

The Hon. M. R. KERSTEN: Mr Chairman, I would have thought that the question was related to the budget. I am interested to know whether the employees can strip the shirt off, throw it into the suds and clean the grasshoppers off the front of the car.

CHAIR: With due respect to the Hon. M. R. Kersten, that is not relevant to the budget.

The Hon. JENNIFER GARDINER: I refer to Budget Paper No. 3, Volume 2, page 513 relating to soil conservation grants. I note that the grants have been reduced from \$11.2 million in 1994-95 to \$7.5 million in 1995-96. Given the significance of soil conservation and the Government's statements about the importance of good soil conservation management, how can you possibly justify a 33 per cent reduction in these grants?

Mr YEADON: Firstly, I think I should indicate that the description of the line item is rather poorly put together. The line item does not refer to the Soil Conservation Service but to miscellaneous grants. The soil conservation program is covered at page 519 of the budget paper—soil and vegetation services. The budget allocation for 1994-95 was \$9.714 million and that is broken up with \$2.811 million for the national Landcare program, \$1.973 million for salt action, \$3.83 million for total catchment management and \$1.1 million for the Landcare environmental action program, LEAP, and Great Artesian Basin activity. Actual expenditure for 1994-95 was \$11.271 million, as I said. The variance between estimated and actual expenditure for 1994-95 related to in-year supplementation of \$2 million for the farm forestry program and \$973,000 for the drought relief program. The strategic planning component of \$83,000 for the TCM was moved to operating expenses, leaving the TCM budget of \$3 million for grants. There was also budget underexpenditure on some activities. The budget allocation for 1995-96 is \$7.581 million and that is broken up into \$2.667 million for the national Landcare program, \$1.944 million for salt action and \$3 million for TCM enhancement community grants.

The reduced estimate in this year's budget

results from reclassification of \$1 million for the LEAP and the Great Artesian Basin program into the operating and other services area of the catchment management and community services program rather than grants. This year's in-year supplementation of \$2.973 million for drought relief and farm forestry is also not included in this activity of the 1995-96 budget allocation. The TCM program has received enhancement to the extent of \$5 million for 1995-96 and \$3 million of the budget is for community grants. The Government is putting a lot of emphasis on getting as much grant money as possible down on the ground so that projects can be undertaken. That issue has been raised with us since coming to government: people want to see as much money as possible going down on the ground. The Government is trying to ensure that that occurs. The remaining \$2 million is included within other operating expenses. This \$2 million comprises \$700,000 to pay sitting fees for community catchment management committee members, \$400,000 for ongoing strategic natural resource management planning and \$900,000 for operating costs and coordination of the catchment management programs. So in fact there has been no real reduction in that area.

The Hon. M. R. KERSTEN: I refer to Budget Paper No. 3, Volume 2, pages 514 and 516. Blue-green algae and river care management are key issues for water quality in our river systems. Your budget shows a reduction in funding for these projects from \$5.8 million to \$3.1 million in western rivers and from \$1.9 million to \$1 million for coastal rivers. How can you possibly justify decreased funding in this budget when the community expectation is that you should be spending more on trying to solve the blue-green algae problems across the State?

Mr YEADON: The Government announced a major policy initiative some weeks ago on water reform and of course the initiatives taken in that policy will go directly to addressing blue-green algal problems. The service that you have referred to is spread across two programs—catchment management and community services, which has \$3.14 million; and coastal and riverine, which has \$1.029 million. As part of the Government's deficit reduction strategy Treasury has allocated \$4.169 million, which is less than what the department would like to expend in these areas. The department will re-allocate funding internally to provide at least the 1994-95 level of \$7.7 million for this key catchment management service. This will include \$4.2 million for blue-green algae and \$3 million for riverine works and \$500,000 for RiverCare 2000.

The algal management strategy under this program aims to minimise the occurrence and impacts of blue-green algal blooms. The strategy is grouped into five key areas—contingency planning, water systems management, nutrient control,

education and awareness raising, and research. Contingency planning is already operating successfully, as evidenced by the river watch program along the Darling and Barwon rivers. In addition, the State Government has allocated \$124,000 in 1995-96 for the construction of stock and domestic bores to provide alternative water supplies to landholders affected by blue-green algae—primarily along the Darling-Barwon. Funds are matched by landholders. A prototype algal watch kit developed in 1994 to improve local community monitoring is currently being tested before being made available for general distribution. Algal bloom management is being imposed by water system management, including the Government's allocation of \$624,000 in 1995-96 for metering equipment on the Darling and Barwon rivers to monitor flow plan operation and studies to improve environmental flows in our river systems.

The Government has allocated \$3.3 million in 1995-96 for nutrient control, planning and works. This is the third year of a five-year program with funds augmented by the Commonwealth, local government and individual landholders. Catchment nutrient models have been developed for the Murrumbidgee, Hawkesbury-Nepean, Hunter, Namoi and Gwydir valleys. Models for the Lachlan and Macquarie are well advanced, while those for the remaining catchments are either in progress or planned for 1995. Other actions for nutrient control include the local government phosphorous awareness and reduction campaign, which to date is being run by 44 individual councils; an industry agreement limit on detergent phosphorous of 5 per cent; use of informative labelling on packaging; and improved community awareness. The Department of Land and Water Conservation, Sydney Water and Hunter Water Corporation are accelerating studies and works to improve nutrient removal from sewage treatment plants. Education and extensive programs on the use of fertilisers and on soil erosion are being reviewed by my department and also by New South Wales Agriculture to highlight the blue-green algal impacts. Studies of tradeable property rights in nutrients have been completed and they are being discussed with the broader community. So the Government is maintaining a very solid commitment indeed to blue-green algal management.

The Hon. JENNIFER GARDINER: I refer to page 520 of Budget Paper No. 3, Volume 2. The Consolidated Fund recurrent appropriation for soil and vegetation services has gone down from \$12.9 million to \$9.6 million in these estimates and includes a staff cut. Can you explain why the Government is not increasing its funding in this important area rather than reducing it? Noting that State environmental planning policy 46 is justified by the Government on the basis of reducing the impact of clearing native vegetation on soil erosion and other considerations, given the extra costs of implementing SEPP 46 on the rural community,

how do you explain the Government's lack of commitment to funding soil and vegetation services to a greater extent than in the past?

Mr YEADON: The variation between estimated and actual expenditure in 1994-95 reflects two things. First, it should be remembered that soil and vegetation services did not appear as a specific program in 1994-95. Its activities, along with those now performed by the catchment management and community services program, were undertaken in the Soil Conservation Service. The roles and functional responsibilities of these two new programs were still being developed at the time the budget papers were prepared and as such the figures provided are indicative only of what was considered to be a soil and vegetation service responsibility at that time. Secondly, the impact of approved supplementations to some of the former agencies now comprising DLWC needs to be considered. Expenditure against these approved supplementations is included in actual expenditure against the agency to which it related. However, with the redefining of program areas and programs within the new Department of Land and Water Conservation, the 1994-95 budget figure reflects a pro rata distribution of the total budget for the former agencies on the basis of actual expenditure levels, including supplementation expenditure. Explanation of the reduced allocation of \$2.682 million in 1995-96 is also twofold. The first reason has been alluded to previously. That is that as the roles and functional responsibilities of the new soil and vegetation services and catchment management and community services program, which was previously the Soil Conservation Service, become further refined and developed, a redistribution of funding may be required in that area. This will be done under my ministerial discretion.

Secondly, the budget of \$2.682 million does not include any of the operating costs associated with implementation of SEPP 46, which deals with the protection and management of native vegetation. The funding for this initiative total estimate for 1995-96 including salaries and other operating expenses is \$1.26 million and it will be achieved through savings in other program areas of the department. SEPP 46 passed after the budget had been finalised so the figure will be adjusted by that \$1.26 million.

The Hon. M. R. KERSTEN: I refer to Budget Paper No. 3, Volume 2, page 503, forestry policy. I refer to provision in the coming year of \$35 million for the forest industry restructure package. This package is predicated on the assumption that New South Wales forests have been harvested on an unsustainable yield basis and that a 30 per cent reduction in log quota is necessary from 1 July 1996.

CHAIR: What is the line item again?

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The Hon. M. R. KERSTEN: I refer to Budget Paper No. 3, volume 2, page 503, line item forestry restructure package, \$35 million. Will you table the advice on which the Government is basing its forestry restructure, particularly the advice which indicated unsustainable yield?

Mr YEADON: No. I am sure that Ministers of the previous Government will indicate to you what the situation was because they were told by State Forests that unsustainable logging was occurring. It was in the vicinity of 30 per cent of sustainable yield. The Labor Party had a comprehensive and refined forest policy when it came to government, which it took to the 25 March election. We commenced work on that policy immediately on coming to government simply because we wanted to get moving with it and get it in place. A lot of work is involved in the implementation of that policy because it is so comprehensive. It will deal with the issues in our forests once and for all. For the last 10 years this has been an emotive and divisive issue in State and national politics.

This Government got to work on that policy immediately. It was of major concern to us on coming to government to discover that the previous Government had been derelict in its duties in relation to the preservation of native forests, particularly high conservation value native forests. They were derelict to the point that we found there was an overcutting of around 30 per cent. That has made this Government's task in relation to the implementation of its policies far more difficult. When we were formulating that policy we did not have access to the sort of information we were provided with by State Forests on coming to government. We were unaware of the fact that sustainable logging was 30 per cent out of kilter. That put a considerable amount of pressure on the implementation of our policies.

The Government wants to implement its policy in cooperation with and in consultation with the industry. It was clear that there was always going to be a restructuring of the forestry industry—before and after the election the industry recognised that a restructuring was inevitable. At the rate that old-growth forests were being cut down in this State they would have run out within the next seven to 10 years. Once that occurred the forestry industry would have had to reinvest in plant and equipment in order to cut regrowth forests. We are simply taking them into that area sooner because we are running out of forests. In short, it is all the coalition's fault. *[Time expired.]*

[Short adjournment]

The Hon. JANELLE SAFFIN: I refer you to the annual report of State Forests for 1993-94. I note the reference to hardwood plantation on page 21. What measure has the Government taken

to promote the establishment of hardwood plantation to provide an alternative timber resource which will reduce the pressure on native forests?

Mr YEADON: The expansion of hardwood plantation is a major component of the Government's forest policy. The policy includes a commitment to increase State Forests' hardwood plantation program to an estimated rate of 10,000 hectares per year by 1997-98. For the year ending 30 June 1995, 1,747 hectares of hardwood plantation had been established in both joint ventures and on State Forest land at a cost of \$6 million, compared to 274 hectares in the previous year. That is a significant increase indeed. Total hardwood production across the State now amounts to 20,000 hectares. The aim of the plantation program for 1995-96 is to plant 3,000 hectares of hardwood plantation, predominantly by way of joint ventures between State Forests and individual landowners.

The Government has allocated \$8.5 million to this task, which will be supplemented by funding of \$1 million from State Forests. The majority of the \$9.5 million will be used for establishing a new hardwood plantation: preparing the land, growing seedlings, planting, fertilising, weed control and other silvicultural operations. A proportion of the funding will be used for other important functions, such as research, providing public information and nursery upgrading. Thirty joint venture agreements have already been signed for 1995-96. That involves 1,382 hectares of land. It is intended that the hardwood plantation establishment rate will be increased to 5,000 hectares in 1996-97, and possibly to 10,000 in 1997-98. Although the plantation program has generated significant interest, particularly in the northern part of the State, some potential plantation joint venture partners have raised concerns in relation to harvest security which may deter participants from entering into the program. In order to address these concerns the Government will introduce plantation harvest guarantee legislation in the very near future.

<6> This legislation will address key disincentives which inhibit the establishment of plantations with environmentally sound bona fides. If the bill is endorsed by the Parliament, it will provide that the harvesting of suitably accredited plantations will be exempt from various planning and environmental assessment requirements, primarily under the Environmental Planning and Assessment Act and the National Parks and Wildlife Act. This exemption will provide land-holders and potential investors with a guarantee that they will be able to harvest those plantations when they become mature, provided that they adhere to the plantation harvesting code which will be part of the overall regime the Government has in place regarding private forestry matters.

The Hon. J. KALDIS: State Forests'

objectives, as identified in the 1993-94 annual report, were no doubt framed to meet the former Government's policy objectives. What contribution has State Forests made to the implementation of this Government's forestry policy?

Mr YEADON: State Forests has played a key role in the implementation of the Government's forest policy. The implementation strategy for the Government's forest policy was announced on 13 June, as I said earlier. That was less than three months after the election of Labor to government. The development of this strategy required a great deal of work by a number of government agencies, particularly State Forests. The announcement required the rescheduling of State Forests' logging operations out of identified wilderness, unlogged forest and, most likely, selectively logged forests and into regrowth areas and plantations. State Forests was responsible for implementing this rescheduling, which has now been completed. The Government has also made a commitment to maintain quota quality hardwood log allocations in the three coastal regions at current levels until 30 June next year. Allocations will then be reduced by 30 per cent, and by 40 per cent in the Eden management area, for the following 12 months.

The price of quota quality hardwood sawlogs was increased by 15 per cent from 1 July 1995. State Forests is responsible for ensuring that these supply commitments are met and that the price increases are effectively implemented. One of the key planks to the Government's forest policy is the establishment and maintenance of an efficient, high technology and ecologically sustainable sawlog-driven hardwood timber industry utilising regrowth forest and plantation, as I said. A tripartite subcommittee of the Forestry Advisory Council will be responsible for advising the Government on timber industry restructuring and value adding for that industry. State Forests will also play a key role in that restructuring process.

In addition to the implementation of the major policy initiatives which I have outlined, it has been necessary to integrate the State Government's strategy with Commonwealth priorities. State Forests has played an integral part in the development of the joint State-Commonwealth draft deferred forest assessment report. That is currently the subject of stakeholder consultation, and that will continue, from memory, until 3 November. I am very pleased that the management of State Forests has made a very professional and positive contribution to the implementation of the Government's forest policy. This contribution was highlighted by the depth of knowledge and sound expertise of State Forests officers, together with the comprehensive and advanced management information systems which the organisation has developed over the past few years. The demonstrated professionalism and competence of State Forests staff gives me considerable confidence

for the successful implementation of our forestry policy. The Government, of course, will continue to work on that policy with absolute 100 per cent commitment.

The Hon. E. M. OBED: I note the significant improvement in State Forests' commercial performance as identified in the annual report of 1993-94. In 1990 the Public Accounts Committee published a scathing report on the operations of the former Forestry Commission, now known as State Forests of New South Wales. Will the Minister explain how the recommendations of the Public Accounts Committee report have been implemented and the part they played in the improved performance of State Forests?

Mr YEADON: I am glad that the honourable member has given me the opportunity to respond on this very important matter. I am pleased to report that State Forests has made considerable progress in implementing the major recommendations of the Public Accounts Committee report, which included 78 recommendations. Obviously, it is beyond the scope of my response to this question to give a full account of how each of those recommendations has been addressed. However, I can provide a brief summary of how the major issues raised in the report have been resolved.

Firstly, I refer to the corporate structure. The former Forestry Commission underwent a major restructuring in April 1992 involving a decentralisation of authority and accountability, a reduction in head office staff of 30 per cent, and the separation of commercial service providers into business units. The new corporate structure has since been enhanced by the appointment of a board of governance. The full corporatisation of State Forests is one of the objectives specified in the organisation's corporate plan, and the Government is currently considering options in relation to that corporatisation.

In relation to financial performance, State Forests has installed modern financial management and reporting systems, together with sound management disciplines, such as corporate and business planning, monthly budgeting and performance reporting, cash management systems and staff performance agreements. Management expertise in generating revenue and controlling costs is recognised by the valuable and significant contribution made by State Forests to government revenue. In 1991-92, State Forests reported an operating surplus before abnormal items of \$5.5 million. In the following year the figure more than doubled to \$13.1 million, and this result was repeated in 1993-94 when State Forests again doubled its operating surplus to \$27.6 million. In the past year, due to the increased cost of environmental compliance, profit has fallen slightly to \$26.7 million. However, a dividend payable of \$21.7 million is in excess of community service

obligations and hardwood plantation grants, generating for the first time a net profit contribution to the State budget.

On timber marketing, the Public Accounts Committee report included a number of recommendations relating to the marketing of timber, and State Forests has been striving to make improvements in this regard.

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One of the two key planks of the Government's forest policy is the establishment and maintenance of an efficient, high technology and ecologically sustainable sawlog-driven hardwood timber industry, utilising regrowth forest and plantation. State Forests timber marketing knowledge and expertise will play a key role in the restructuring of the forest industry and the development of value-adding opportunities. On corporate planning, the three issues I have discussed illustrate the way in which senior management at State Forests have succeeded in addressing the major issues raised in the Public Accounts Committee's report. However, a brief reading of State Forest's corporate plan clearly shows that the changes which have occurred in State Forests go a lot further than merely adhering to the recommendations made in that report. State Forests has undergone a major cultural transformation in recent years and that is continuing. I am confident that the changes which have occurred throughout the organisation will ensure that State Forests continues to play a vital role in the implementation of the Government's forest reform objectives.

The Hon. JANELLE SAFFIN: Minister, still on the State Forests 1993-94 annual report, one of the key performance areas identified is environmental management. What measures does State Forests have in place to ensure that the environment is adequately protected in the course of logging operations in native forests and how much do these measures cost?

Mr YEADON: The environment is one of the five key result areas in the State Forests corporate plan. State Forests is striving to demonstrate sustainability in forest management through world's best environmental practice. While this commitment to the environment is an integral part of all State Forests' operations, a number of specific programs are of special note in relation to environmental management. In 1995-96 State Forests expects to spend \$5.7 million on the preparation of environmental impact statements for forestry operations. The completion of these EISs is required under the Timber Industry (Interim Protection) Amendment Act. State Forests is making a significant effort to complete the majority of the EISs by the end of 1995 as they will provide a great deal of information which will be useful for the interim assessment process currently undertaken by the Resource and Conservation Assessment Council. The comprehensive regional assessment

process is involved there and will be undertaken jointly by New South Wales and the Commonwealth.

Statewide monitoring programs are now being put in place to measure the performance of the various prescriptions and conditions which have resulted from the EIS process. Monitoring will also be undertaken in association with the Environment Protection Authority to assess the effectiveness of the prescriptions, which have been developed as part of the water pollution licensing process for forestry operations. State Forests is also currently endeavouring to integrate all components of the complex environmental approval system for forestry operations into a single, comprehensive environmental management system to provide an improved level of certainty in relation to its compliance. The EMS will address all relevant issues including auditing, monitoring, reporting, training and certification of Australian or international standards. The total environmental expenditure is estimated at over \$15 million per annum.

The Hon. I. COHEN: Minister, my question relates to Budget Paper No. 3, Volume 2, page 503, regarding the joint venture eucalypt plantation program. What has been the income and expenditure that State Forests has derived from the joint venture eucalypt plantation program including all associated costs and personal time? How many hectares of plantations and what types have been established under the joint venture eucalypt plantation program? How many hectares of joint venture eucalypt plantation and what types have been established on Crown land, that is State forest, as part of the joint venture eucalypt plantation program? How much has been expended on environmental assessment, site preparation and planting on Crown lands?

Mr YEADON: The honourable member has asked for specific details. I suggest he reiterate the questions one by one and we can respond to them. Alternatively, we can take the questions on notice and provide the detailed information.

CHAIR: What is your view? Do you want to answer them one by one, or take them on notice?

The Hon. I. COHEN: I will take them on notice.

CHAIR: Is that acceptable, Minister?

Mr YEADON: Yes.

The Hon. R. S. L. JONES: Minister, I refer to page 66 of the State Forests annual report, 30 June 1994. Could the Minister provide a breakdown of State Forests' estimated royalty income for 1995-96 in the following categories: estimated royalty based on expended yield for each compartment; estimated royalty per cubic metre for each species; estimated royalty generated by

operations on Aboriginal land; estimated royalty generated by operations in areas of high conservation value; and estimated royalty generated by operations in areas containing schedule 12 endangered fauna? What form of econometric modelling is used to determine the level of royalties? Do these models have substantial regard to price sensitivities?

CHAIR: I assume that is another question on notice.

Mr YEADON: I will refer that question to Dr Hans Drielsma.

Dr DRIELSMA: The first part of that question related to the estimated royalty based on expected yield for each compartment. State Forests does not budget for royalty on a compartment-by-compartment basis. Our budgets are put together by responsibility centres, by activity, by resources and by products. That is the appropriate way for us to budget and to assess financial performance. On a product basis, our budgeted royalty for 1995-96 comes out in the following way: from our hardwood native forests we are budgeting for a revenue of \$49.1 million; from our softwood plantations we are budgeting for a revenue of \$54.1 million; from our cypress pine forests we are budgeting for a revenue of \$4 million; and from our hardwood plantations we are budgeting for a revenue of \$1.7 million; giving a total revenue of \$108.9 million.

In relation to the estimated royalty or stumpage per cubic metre per species, we do not budget on a species basis, but I can give an indication of the average prices that apply to those categories that have been mentioned. In regard to hardwood native forests, quota sawlogs would average of the order of \$37 per cubic metre. However, higher value products such as poles, piles and girders would average of the order of \$80 per cubic metre, while veneer logs would be in the range of \$56 to \$60. Pulpwood from native forests would be of the order of \$16. From our softwood plantations, sawlogs would average \$40 per cubic metre while the pulpwood from softwood plantations would be of the order of \$14. From the cypress pine forests, sawlogs average \$34 and from the hardwood plantations—because they are much younger, or less mature at this stage, the sawlogs are much smaller—and they average \$14 to \$16, with pulpwood coming from the plantations at about \$7.

The next part of the question dealt with the estimated revenues generated by operations on Aboriginal lands. It is not clear what is defined as Aboriginal lands. In terms of any lands that are formally identified in some way as Aboriginal lands in New South Wales, there are no operations being undertaken. We are aware that Aboriginal people have interests in various parts of the forest estate and we consult quite extensively with Aboriginal people, both within the process of doing

environmental impact assessments and more generally. Recently we appointed an Aboriginal liaison officer in the northern region of the State and we are undertaking seminars and workshops through that mechanism and directly with the Aboriginal people to ensure that their interests are understood, identified and can be incorporated into forest management. We are looking at ways also of extending that initiative into other parts of the State. In terms of the estimated revenues generated by operations in high conservation value forests, it clearly comes down to a definition of what constitutes high conservation value forests. In the implementation of the Government's forest policy, we have gone through a structured process of identifying all the forests that would potentially be considered of high conservation value.

As the Minister explained, we have gone through a process of rescheduling to take operations outside those areas. That process was completed at the end of September. We are now operating in areas through that process that are considered to be not of high conservation value. To give an idea of how that has been done, all areas considered potentially old-growth were identified through a mapping process. All unlogged forests and all forests that had been lightly, selectively logged, had been mapped out and operations taken out of those areas. State Forests also entered into an agreed protocol with the National Parks and Wildlife Service which means that even within regrowth forests there is a mechanism whereby significant areas of potential old-growth are identified, mapped and excluded from harvesting operations. All areas that have been identified as wilderness have been taken out of the process and there are no logging operations in any areas of identified wilderness at the moment. There are 24 national parks that the Government has identified for potential dedication over the next 12 months. All our logging schedules are outside any proposed boundaries for those national parks. While investigations are continuing, no logging operations are occurring within those areas.

The final element is to do with biodiversity in regard to endangered species and areas of forest that may be required for a comprehensive, adequate and representative reserve system. State Forests has been through a structured process in consultation with the National Parks and Wildlife Service and as part of the Commonwealth deferred forest assessment process, so that those areas that are potentially required for future Department of Conservation and Land Management reserve system have been identified and taken out of the system. Of course, there is also a process of licensing with the National Parks and Wildlife Service such that any areas that carry threatened species are also conditioned so that harvesting will have no long-term adverse impact. On that basis we feel confident that in a logical way logging is not

currently operating in areas of high conservation value. The next part of the question was about revenues generated by operations in areas containing schedule 12 endangered fauna, and, to a large extent, I have already answered that. There is a process whereby areas of greater sensitivity are identified and licences are obtained from the National Parks and Wildlife Service. Through that process we endeavour to ensure that there are no operations that would impact adversely in the long-term on those species.

The final part of the question had to do with econometric modelling used to determine a level of royalties, whether or not they have substantial regard to price sensitivities. Sawlog prices are adjusted periodically, usually annually in New South Wales, and are based on an analysis of a number of factors. First is the changes in the prices of end products from such logs, including panelling, flooring, large-section durable timbers, construction-grade timbers, fencing, and pallets. Such prices are obtained from market surveys and we have market analysts who keep in touch with the end product or end uses of timber to ensure that we are aware of movements in those prices. Secondly, we also look at the price of competitive logs elsewhere, including other areas of New South Wales and interstate. Thirdly, we look at the changes in the cost of forest management and log production as they affect our operations. Finally, we make it our business to look at changes in the cost of logging, log haul, log processing and distribution of end products by industry; therefore our customers. We get a good handle on their cost structures. Those four factors are all included in our assessment of what prices ought to prevail. This market-based information is analysed with the assistance of computer models and we also take into account recovery from log to sawn timber. We then enter discussions with our customers regarding such analysis and the market value of logs. The Committee would be aware that the Government is proposing to refer the question of log pricing to the Government Pricing Tribunal. The report arising from that analysis will give an indication as to how we could improve our system, our objective being to ensure that the prices of logs reflect the true value of those logs in the marketplace.

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The Hon. I. COHEN: My question relates to page 66 of State Forests' annual report to 30 June 1994, income and expenditure statements. What products and services have been provided by State Forests to Harris Daishowa in the years 1993-94 and 1994-95, and what is the expected income for the year 1995-96? What are the costs to State Forests in providing such products and services? What criteria are used to assess the amount that Harris Daishowa is charged for the provision of such products and services? In the assessment of State Forests charges, is any consideration given to the product profitability of the Harris Daishowa

woodchip operation?

Mr YEADON: I shall refer that question to Dr Drielsma.

Dr DRIELSMA: To Harris Daishowa we make sales of pulpwood in the order of 600,000 tonnes per annum, from which we generate direct revenue from Harris Daishowa of about \$11 million or \$12 million. That is the extent of the products and services that we provide to Harris Daishowa. Our wood supply agreement with Harris Daishowa, which is in place to the year 2009, provides for the supply of product at around that level. The level varies with different sources of supply. For instance, from the Eden management area it provides for about 503,000 tonnes, with lesser amounts coming from adjoining management areas. As part of that contract there are agreements about the nature of the roading that we will provide versus the roading to be provided by Harris Daishowa. There are major roads such as Eden Road and Imlay Road that we maintain, as well as a roads network through the forest. We undertake harvest planning and supervision. Essentially, that is the contracted services or the expenditure in regard to the logging. The building of minor roads and haulage are undertaken by Harris Daishowa and paid for by that organisation.

CHAIR: There is eight seconds of this section remaining.

The Hon. R. S. L. JONES: I refer the Minister to page 66 of State Forests annual report. Will you be renegotiating the Boral contract to ensure that the company pays full market price for its logs? *[Time expired.]*

The Hon. JENNIFER GARDINER: I intend to go back to land and water conservation questions. I refer to Budget Paper No. 3, Volume 2, at page 505, subprogram 51.2.1, Country Town Water, Sewerage and Drainage, and specifically to the line item average staffing. Could the Minister tell the Committee whether any of the staff positions transferred by the Government from the Department of Public Works across to the Department of Land and Water Conservation have been transferred back to the Department of Public Works? If not, are there plans to transfer staff back to the Department of Public Works, and does the 84 EFT figure under this line item remain current?

Mr Yeardon: On a point of order: my understanding is that at this stage of the proceedings the Committee is confining itself to State Forest issues. Is that correct?

The Hon. JENNIFER GARDINER: On the point of order: I would point out that the second question asked by the Committee, coming from the Government, was from the Hon. E. M. Obeid and related to forests. Before the tea break the Hon. R. S. L. Jones and the Hon. M. R. Kersten asked

questions on forests. As you did not outline at the beginning of Committee meeting that you would not allow such questions and you accepted the previous three questions, I would assume that you would be fair after the tea break.

CHAIR: I certainly did not accept anything in particular. Questions were directed to the Minister and the Minister did not take a point of order. They were outside the guidelines of this session. The Minister has taken a point of order on this issue. Does he wish to pursue that point? If so, I will rule the question out of order and we will proceed on.

Mr YEADON: I will take the question. As it involves a general employment issue, I shall refer it to Dr Gellatly.

Dr GELLATLY: There are only four budget programs, so the staffing includes support services such as corporate services, technical services and regional staff as well as full-time staff. Although there is clearly a reduction of 55 across the new amalgamated department, this comes from the reduction in head office corporate services. The reduction is the share of the country towns water, sewerage and drainage program that picks up the reduction in overall corporate service numbers. It is not an actual reduction in the program delivery for the country towns water, sewerage and drainage program. In regard to the staff from public works, the answer is no; all staff who came across from the Department of Public Works will remain with the new department and there will be no transfer back.

The Hon. M. R. KERSTEN: I also intend to ask a general question. I refer the Minister to Budget Paper No. 3, Volume 2, at page 501. Total current payments in the vital area of integrated natural resources policy have declined from an estimated \$10.2 million in 1994-95 to a mere \$3.4 million forecast for the 1995-96 year. Given the importance that the Government has placed on integrated resource management policy, exemplified by the amalgamation of the Department of Water Resources and the Department of Conservation and Land Management, how can the Government justify such a huge reduction in this area?

Mr YEADON: I shall ask Dr Gellatly to respond to that question.

Dr GELLATLY: There is a number of variations. Budget Paper No. 3 at page 500 refers to the Resource and Conservation Assessment Council. A sum of \$5 million that was originally in the budget last year has been transferred to the Department of Planning and Urban Affairs as it will come under the responsibility of that portfolio. That accounts for one of the major reductions. The other reduction relates to asset valuation across the department. A reduction has been made in other operating expenses, from \$4 million to \$1.499 million, which is a normal expense due to

the revaluation of assets. The addition of that \$3 million and the \$5 million for the Resource and Conservation Assessment Council accounts for a fair amount of the difference. Most of the rest of the difference results from minor adjustments. The other point to be made is that the integrated and strategic natural resources policy is a new program which, as the Minister mentioned earlier, has been set up. The amount allocated to staff is about \$1.4 million, so there has been no actual reduction in services; most of the reduction relates to accounting.

The Hon. JENNIFER GARDINER: With respect to Budget Paper No. 3, Volume 2, at page 495, it is noted that the average staffing level has fallen from 2,768 to 2,713—a decrease of 55 people. Could the Minister or Dr Gellatly identify where the staff number is being reduced, which programs and services are being cut and how many of the cuts result from the amalgamation of the Department of Water Resources and the Department of Conservation and Land Management?

Dr GELLATLY: The reduction of 55 across the department is accounted for in corporate head office services, which would be expected following the amalgamation of two large departments and a major part of the Department of Public Works. The reduction is spread evenly across the different programs, in that they relate to corporate support areas. At the direction of the Government, there has been no reduction in front-line delivery service staff.

The Hon. M. R. KERSTEN: I refer the Minister to Budget Paper No. 3, Volume 2, at page 501. It is noted that Murray-Darling Basin Commission user charges are to increase from \$237,000 to \$403,000 in 1995-96. That is a large increase. How much, if any, of the increase reflects the Minister's 5 September announcement of an across-the-board increase in water charges of 1.35c per megalitre?

Mr YEADON: Revenue received from the Murray-Darling Basin Commission is derived from land rents, royalties received from Pacific Power for power generated from the Hume Dam and house rents. The expected increase in revenue will be obtained from Pacific Power for increased royalties from electricity generated at the Hume Dam. Arrangements are presently being made between the Premiers of New South Wales and Victoria to amend the Hume Dam power station agreement to increase royalty charges, which have not changed since 1954. The revenue received from the Murray-Darling Basin Commission is being used in 1995-96 to reduce the total overall New South Wales contribution of funds to the Murray-Darling Basin Commission. That is noted in the water management program section.

New South Wales is a party to the Murray-

Darling Basin Commission initiative and its responsibilities are defined under the Murray-Darling Basin Act 1992 and an agreement. These responsibilities include meeting costs associated with construction and maintenance of commission structures and the implementation of strategies developed by the Murray-Darling Basin ministerial council investigation into salinity mitigation, water quality monitoring. The contribution by New South Wales to the Murray-Darling Basin Commission 1995-96 program is \$15 million. The 1994-95 contribution provided by New South Wales totalled \$11.6 million, so there will be an increase of \$3.5 million. The variance is due to the need for New South Wales to provide capital works funds to replace Turrumbidgee Weir and to progress works associated with stabilising the Hume Dam earth and embankment.

In return for providing \$5.1 million to the overall Murray-Darling Basin Commission 1995-96 program, which covers all works, measures and investigations across the Murray-Darling Basin, the Department of Land and Water Conservation will receive \$15.6 million to undertake Murray-Darling Basin Commission projects located within New South Wales. The New South Wales program includes: maintaining all Murray-Darling Basin Commission structures that are the responsibility of New South Wales; stabilising the earth and embankment at the Hume Dam; carrying out safety surveillance at Murray-Darling Basin Commission structures; undertaking environmental flow studies in the lower Darling; salinity investigations; water quality monitoring in the major rivers in the Murray-Darling basin; and carrying out hydrological investigations at Lake Victoria and Menindee Lakes.

This work will benefit not only New South Wales but also the entire Murray-Darling basin, which includes Victoria, South Australia and Queensland. The provision of adequate funds for the Murray-Darling basin initiative is endorsed by the Government to allow the effective planning, development and management of water, land and other environmental resources of the Murray-Darling basin. These funds are not related to the recent announcements regarding water pricing.

The Hon. M. R. KERSTEN: My question is supplementary. I refer the Minister to Budget Paper No. 3, Volume 2, page 501 subprogram 51.1.2 Integrated and Strategic Natural Resources Policy. How close are we to achieving full cost recovery?

Mr YEADON: Under the Council of Australian Governments Agreement each government is required to report each year on progress with implementing recommendations. New South Wales is at the forefront of water management and leading the way on many of the issues. This has been enhanced by recent water reforms. These consolidated the provisions for

environmental flows being developed in New South Wales, and significantly moved rural water charging towards COAG requirements. New South Wales is the first State to explicitly separate out and recover all of the costs identified by COAG, including necessary resource management costs. The institutional reforms implicit from the Council of Australian Governments and Hilmer are also well developed. The separation of regulatory and operations roles has occurred in the water and forestry areas within the Department of Land and Water Conservation. As well, the Office of Natural Resources Policy has a regulatory role in auditing major water corporations, such as Sydney Water. Of course, we are also referring rural water pricing to the Government Pricing Tribunal.

The Hon. JENNIFER GARDINER: I would like to follow up on and clarify that answer. Mr Kersten asked how close we are to achieving full cost recovery. Do you have a specific date that you can indicate?

Mr YEADON: The Council of Australian Governments has 2001 and we will be there by then, if not earlier.

The Hon. M. R. KERSTEN: My question relates to Budget Paper No. 3, Volume 2, page 503, the line item referring to the forestry industry restructure package, and to a figure of \$35 million in 1995-96. Who will be eligible to receive compensation under this package? Specifically, will mill workers—union and non-union—contractors, lorry drivers and mill owners be entitled to compensation? Do the matching funds from the Federal Government that the Government hopes to receive make provision for mill owners, as well as mill workers and contractors?

Mr YEADON: On 13 June the Government announced its program on forestry reform for the timber industry, and logging has already been transferred out of high conservation old growth and wilderness and an assessment is being undertaken by the Resource and Conservation Assessment Council, RACAC, to identify further areas. To bring the timber industry into a sustainable yield we have our quota cuts—*[Time expired.]*

The Hon. JANELLE SAFFIN: My question relates to Budget Paper No. 3, Volume 2, page 508 which indicates that \$95.5 million has been spent on the water resources management program. Will the Minister indicate how part of this will be used to address the declining state of New South Wales rivers?

Mr YEADON: Dams, river regulation, and increasing water use have severely damaged many of our rivers and wetlands. To halt the decline and improve the health of our rivers requires specific allocations of water for environmental purposes and more environmentally sensitive management of water supply and water extractions. Action on

environmental flows and growth in water use has been recognised as a high priority by the Council of Australian Governments, and more recently by the Murray-Darling Basin Ministerial Council. The Government is committed, through the Murray-Darling Basin Ministerial Council, to cap water diversions throughout the basin. In some rivers it will be necessary to reduce water use to address critical river health problems.

The Government took steps in the recently announced rural water conservation package to limit the potential for further growth in water use. Interim measures have been instituted pending the development of longer-term strategies to implement the cap and ensure appropriate environmental flows. These include limits on off-allocation water use and a moratorium on permanent transfers of the unused portions of entitlements and allocations to wetlands in the Macquarie and Gwydir valleys. It is essential that a comprehensive and effective environmental flow program is undertaken as soon as possible to ensure significant improvements in river health, fish and wetland communities, and to provide the irrigation industry with better clarification of its entitlements and access to flows.

The proposed program has been designed to ensure that the best mix of measures are implemented. That will achieve a real improvement to the rivers and wetlands at the least possible cost to the irrigation industry and to the rural community generally. Inevitably there will be controversy over the measures and their likely impact on the rural economy. The program has been designed to allow effective community input into the process through environmental flows advisory committees for each catchment, as well as ongoing discussions with water users and other interest groups. In the future the Government will implement a revised management plan for the Macquarie marshes, and I hope that will be in about December 1995, and a management plan for the Gwydir wetlands early next year. The development of both plans has included extensive consultation with the community and with industry groups.

The Government will also implement a five-part environmental flow package for all regulated valleys and this is part of the broader water reforms that the Government has put in place. That package includes minimum releases from storages; reserving water in dams to meet unpredicted water quality, fish and wetlands needs; restrictions on the use of natural inflows to rivers below dams; a review of weirs to assess whether they should be removed, modified or otherwise have their operation revised; and revised water supply delivery rules aimed at achieving more natural flow patterns wherever that can be possibly achieved. The Government will conduct a review of the thermal impact of dam releases on rivers—that is where water is released from dams and, because there is only a low-level gate on the dam, that water is often very cold if not

freezing—and also develop an appropriate dam modification program where possible to rectify that.

The Government will conduct a review of water use and extraction rules for weirs in the Barwon-Darling rivers system; it will be revising licensing and water diversion rules for unregulated rivers—that is, those rivers without a dam—according to a stressed rivers classification system which considers local environmental, water flow and water use factors; it will be developing appropriate environmental flow conditions for Sydney Water and for Hunter Water dams. The Environment Protection Authority, the Department of Land and Water Conservation and New South Wales Fisheries will also be working to develop a set of river flow and river quality objectives for all river basins, and public input will be invited and will be an important component of that strategy.

The Hon. E. M. OBEID: I refer the Minister to Budget Paper No. 3, page 498; subprogram 51.1.1 Integrated Natural Resources Information. An allocation of \$2.44 million is indicated for this program, which has the objective of providing improved access to integrated land, water, vegetation, coastal and other natural resources information systems. Are there any practical outputs which the Minister can cite to illustrate achievement of this objective?

Mr YEADON: Yes. The achievements of the integrated natural resources information program are well illustrated by the recent release of the Natural Resources Data Directory, NRDD. The directory was launched and demonstrated by me at the State Library on 28 August. The directory is a computerised guide to information about natural resources in New South Wales and the Australian Capital Territory. The NRDD does not contain data sets but directs users to relevant data sources. Funding for the project was provided from the former Natural Resources Audit Council, NRAC, with additional funding by the Department of Land and Water Conservation management for initial data collection. The total amount of funding provided by NRAC for the development of the directory, and that included software and data collection, was \$498,000.

The department's contribution to the development phase was of the order of \$100,000 and annual maintenance costs are expected to be approximately \$100,000. The directory contains references to more than 3,500 data sets about air, land, soil, water, flora, fauna, cultural and other features of New South Wales and the Australian Capital Territory. Over 200 Commonwealth, New South Wales, Australian Capital Territory and local government agencies have data sets included within the directory. If it were to be published as a book or a document it would have to incorporate details that would use up to nine reams of paper with a corresponding number of pages of maps. The

directory contains basic information about each data set. There is a name, address and phone number for more than 650 contact people.

The great benefit of the directory is that the community is able to directly contact people responsible for looking after those data sets. The directory is a unique product for the following reasons: it is the most comprehensive government guide to natural resources in New South Wales and it is the result of the first ever statewide inter-governmental cooperative effort to increase access to invaluable natural resources information; and it is supplied with the easiest to use map and text search capability of any computerised directory in Australia. Finally, the directory contains the first ever electronic listing of aerial photography in New South Wales covering several decades.

The Hon. I. COHEN: My question is from the report of State Forests of New South Wales, 30 June 1994, on page 73. What are the specific income and expenditure components of the operating surplus detailed on page 73, relating to the following operations: native forests, plantation operations of hardwoods and plantation operations of softwoods?

Mr YEADON: Could I have the reference again?

The Hon. I. COHEN: Page 73 of the report of State Forests of New South Wales, year ended 30 June 1994.

Mr YEADON: I will refer that question to Dr Drielsma.

Dr DRIELSMA: It is not possible to break down the income expenditure directly into components by the product groupings that you have indicated. The note at the bottom of the table, dealing with the operating surplus, indicates the nature of the revenues that arise from those groups. The revenue from softwoods was \$46.1 million, the revenue from hardwoods was \$43.3 million, and the revenue from cypress pine was \$2.8 million.

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In putting together the accounts for the organisation, we do direct costs down to product levels. I made some reference to that earlier. However, a number of overheads are shared equally across the organisation, so that it is not possible to break those down definitively into an income and expenditure statement for each product. Nevertheless, in terms of product contribution before overheads, I can indicate that for 1994-95, which was the relevant year for this annual report, the contribution from the softwood group was \$33.4 million, the contribution arising from the hardwood products group was \$21.4 million, and the contribution arising from cypress was \$1.7 million. There are also other non-timber related activities, but those were the contributions before the allocation of overheads for those

particular product groups.

The Hon. R. S. L. JONES: I refer to page 66 of the State Forests report. Dr Drielsma indicated that the royalty rates are set according to the end use of the timber. Who determines the purpose for which logs are to be used, and who then determines the royalty rates? Should not the royalty rates be set based on the highest value use of the timber and not according to the end use?

Mr YEADON: This whole issue is being referred to the Government Pricing Tribunal for its consideration. The Government will have a report from that tribunal early next year. That investigation will provide the Government with invaluable information as to how to proceed to ensure a proper pricing regime in relation to royalties for all hardwood timber in New South Wales. The Government is very much committed to ensuring that the people of New South Wales get a proper return on their valuable resource. The referral to the Government Pricing Tribunal on that aspect will form a major component of the Government's broader forestry restructuring and forest policy, and will ensure that any problems that have been identified about inadequate royalties and pricing will be rectified in the future.

The other central component will be value adding. Within the timber industry, this is a key complimentary component of royalty pricing. The Government has made it very clear in its forest policy that it will ensure that value adding and downstream processing are very much in place within the timber industry. For many years the industry has been characterised by lack of investment in plant and equipment. There has been little investment in sawmilling operations since World War II. One only has to visit a number of these mills to know that equipment at those mills is antiquated. It was primarily designed to cut old growth logs only. That can be done with a single saw because the logs are so old that they do not bend and stretch, but much better and more technologically advanced plant and equipment is needed to deal with logs taken from regrowth forests. Therefore, it is imperative that anyone who wishes to stay in the industry in the future should undertake that sort of investment, whether they like it or whether they do not.

The Government will ensure that quite explicit undertakings are given by mill operators or timber operators who wish to stay in the industry that they will invest in downstream processing equipment. That will ensure that there is not a minimalist approach by mill owners—simply acquiring the minimum plant and equipment necessary to deal with regrowth forests and not acquiring plant and equipment that can add further value to a product. This State has valuable resources in native eucalypt forests and other timber. That timber has unique strength and aesthetic qualities. We must ensure

that that timber is processed into the most valuable product to maximise the return from it. That will have benefits not only for the economy of New South Wales and the timber operators themselves but will have major benefits for all who work in the timber industry, including the workers. The two key timber industries within New South Wales are the hardwood native industry and the softwood industry. In the softwood sector, where there is more forward thinking and value adding, much better wages and conditions are available for workers. The Government seeks to achieve the same for the hardwood industry.

The Hon. JENNIFER GARDINER: My question relates to Budget Paper No. 3, volume 2, page 497, total capital program for the department, which is down from \$163 million to \$147.7 million. Could the Minister identify where those cost cuts will be made? In particular, which grants and advances will be reduced? How can the Minister justify those reductions at a time when the Government is telling us that there are pressing land and water conservation problems in New South Wales?

Mr YEADON: I will refer the question to Dr Gellatly.

Dr GELLATLY: The total capital program reduction was from the actual figure last year of \$152.84 million to \$147.77 million. It is hard to separate out one particular cause as that total reduction is an aggregation of the reductions in the 11 programs of the department. There are in each of these capital grants a number of increases and decreases. Country town and water supply, at \$675 million, is a major component of that allocation. There are grants to councils for the estuaries as well as the coastal management program of \$27.991 million. There has been some reduction in the Public Reserves Management Fund.

Last year there were some one-off grants for the Wollongong showground. Also, there was a specific inflow from Treasury to Luna Park through the Luna Park Trust. So it is hard to give a general explanation of the aggregate figure because it relates to a number of individual programs. One would need to go through each program and take into account the increases and reductions in each of those programs. In some instances there were reallocations of items listed in the capital grants, such as the maintenance and non-operating line item. So it is difficult to give overall justification.

The Hon. JENNIFER GARDINER: I ask a supplementary question. Would Dr Gellatly take those detailed questions on notice and provide figures on those increases and decreases?

Dr GELLATLY: We could give figures for each of the 11 programs and detail the increases and decreases in those capital programs.

CHAIR: Are you prepared to take the questions on notice, Minister?

Mr YEADON: Yes, Mr Chairman.

The Hon. M. R. KERSTEN: My question relates to Budget Paper No. 3, volume 2, page 514. The Murray-Darling Basin Commission user charges revenue is budgeted to increase from \$364,000 in 1994-95 to \$619,000 for 1995-96, and income from water operations will increase from nil to \$800,000 over the same period. Can the Minister clarify where the burden of these extra charges will be borne, and for what purpose?

Mr YEADON: That item, in general, takes into account work that is required on the Hume Dam, and reflects additional construction activity on that dam. That is as a result of the dam safety committee identifying some major problems with the Hume Dam's structural integrity. Those familiar with the dam would know that a significant component of the dam is an earthen wall and that recent tests indicated a potential problem with the structural integrity of that wall. Because that potential problem puts at risk life and property, it needs to be rectified as a matter of priority. Interim arrangements for possible emergency measures have been taken where towns may be affected by a breach of the dam. Work has started on that rectification problem, and it is continuing, to address the potential identified risk as soon as possible and ensure the safety of the dam in future. The second part of the question related to income from water charges. That income is being spread across a range of programs to ensure better management and water quality.

The Hon. JENNIFER GARDINER: I have a

further question on forestry. It relates to Budget Paper No. 3, volume 2, page 503, where there is noted a figure of \$8.5 million allocated for development of hardwood plantation. Can the Minister indicate where those plantations will be sited, how much of the money will be spent developing plantations on private land, and how much of it will be spent on developing plantations on public land? Is the expenditure contingent upon the passing of legislation to guarantee plantation harvesting rights? When does the Minister expect the Government to have that legislation in place?

Mr YEADON: The first part of a staged three-year \$47 million hardwood plantation establishment program was announced as part of our forestry reform agenda. This financial year, a separate allocation of \$8.5 million has been made available for the hardwood plantation program, whereas in 1994-95 funding for that purpose was included in the appropriate Government contribution to State Forests. This is a key initiative in the Government's transition strategy for the timber industry in moving its activities from old growth to regrowth plantation. The allocation for 1995-96 will allow State Forests to lift its target for hardwood plantation establishment by 50 per cent, from 2,000 to 3,000 hectares. The plantation establishment target for 1996-97 is 5,000 hectares, rising to 10,000 hectares in 1997-98. About two-thirds of the 3,000 hectares of new planting in 1995-96 would be on private land under joint venture agreements between State Forests and farmers. *[Time expired.]*

The Committee proceeded to deliberate on the recommendation of the vote.

LOCAL FOR ENGIN

EXPEND ALLOCATION
30-06-96 IN 1996-97
\$000 \$000

PROJECT DESCRIPTION LOCATION START COMPLETE ESTIMATED EST. EXPEND ALLOCATION
TOTAL COST TO 30-06-96 IN 1996-97
\$000 \$000 \$000

MINISTER FOR LAND AND WATER CONSERVATION

DEPARTMENT OF LAND AND WATER CONSERVATION

PROGRAM OVERVIEW

The program provides for protection of the States coastline, floodplains and estuaries; flood security works at major storages; salinity and drainage works; nutrient control works to minimise blue-green algal problems and provision of Government subsidies towards construction costs of water and sewerage facilities in country areas.

MAJOR WORKS

NEW WORKS

PROJECT DESCRIPTION	LOCATION	START	COMPLETE	ESTIMATED TOTAL COST \$000	EST. EXPEND TO 30-06-96 \$000	ALLOCATION IN 1996-97 \$000
ULLADULLA JETTY	Ulladulla	1996	1997	700		700
						700

WORK-IN-PROGRESS

ACCRUAL ACCOUNTING AND HUMAN RESOURCES SYSTEM	Various	1990	1997	3,727	3,527	200
ADAMINABY WATER SUPPLY	Adaminaby	1992	2000	1,120	183	10
ADELONG WATER SUPPLY	Adelong	1994	1998	756	590	166
ALBURY SEWERAGE	Albury	1995	2000	12,600	4,079	2,300
ASHLEY SEWERAGE	Ashley	1995	2001	737	33	100
AUTOMATION OF WEIRS AND REGULATORS	Various	1989	1999	2,547	1,462	585
BARHAM SEWERAGE STAGE 2	Barham	1995	2000	1,750	10	325
BAROOGA WATER SUPPLY	Barooga	1995	2000	2,000	276	10
BARRABA WATER SUPPLY	Barraba	1994	2000	1,376	861	15
BARADINE SEWERAGE	Baradine	1994	1997	2,010	963	980
BATHURST WATER SUPPLY STAGES 2D AND 2E	Bathurst	1994	1999	8,550	1,518	600
BERRIDALE SEWERAGE	Berridale	1995	1998	495	30	30
BINGARA WATER SUPPLY	Bingara	1995	2000	525	130	110
BLUE-GREEN ALGAE MINIMISATION - UNREGULATED FLOW MANAGEMENT	Various	1993	2002	2,604	1,349	590
BROADWATER WATER SUPPLY	Broadwater	1995	1998	330	98	130
BRUNSWICK HEADS AREA SEWERAGE STAGE 1	Brunswick Heads	1995	1999	1,000	6	550
BURRENDONG DAM FLOOD SECURITY	Wellington	1994	2005	20,002	127	120
BYRON BAY BEACH PROTECTION	Byron Bay	1990	2002	3,869	737	627

ling to arrangements
original Infrastructure

41,500

41,500

PROJECT DESCRIPTION	LOCATION	START	COMPLETE	ESTIMATED TOTAL COST \$000	EST. EXPEND TO 30-06-96 \$000	ALLOCATION IN 1996-97 \$000
DEPARTMENT OF LAND AND WATER CONSERVATION (cont'd)						
BYRON BAY SEWERAGE STAGE 2	Byron Bay	1995	1999	2,380	200	490
CALLALA BAY/HUSKISSON SEWERAGE	Callala Bay	1991	2000	8,325	3,491	425
CANOWINDRA SEWERAGE	Canowindra	1994	1999	2,050	236	750
CLARENCE RIVER NORTHERN BREAKWATER	Grafton	1994	2002	3,421	230	265
COFFS HARBOUR NORTH SEWERAGE	Coffs Harbour	1989	2000	16,535	10,882	2,500
COFFS HARBOUR SEWERAGE EFFLUENT MANAGEMENT	Coffs Harbour	1995	2002	10,000	1	2,000
COFFS HARBOUR WATER HEAD WORKS	Coffs Harbour	1989	2002	35,000	11,907	100
COFFS HARBOUR/SAWTELL SEWERAGE STAGE 3	Coffs Harbour	1995	2002	7,700	350	850
COLLARROY/NARRABEEN COASTAL MANAGEMENT	Collaroy	1990	2001	10,496	146	1,149
COOMA SEWERAGE	Cooma	1995	1998	6,900	2,711	2,500
COPETON DAM FLOOD SECURITY	Inverell	1994	2005	50,005	262	310
COPMANHURST WATER SUPPLY AUGMENTATION	Copmanhurst	1995	2000	1,440	66	110
CROWN LAND INFORMATION DATA BASE	Various	1990	2002	14,096	7,619	2,408
DIGITISATION OF LAND INFORMATION SYSTEMS	Bathurst	1991	1998	41,329	35,897	3,260
DUBBO WATER SUPPLY AUGMENTATION STAGE 2A	Dubbo	1994	1999	1,850	813	425
ESTUARY MANAGEMENT - LAKE ILLAWARRA	Wollongong	1987	2002	8,945	4,193	658
ESTUARY MANAGEMENT - TUGGERAH	The Entrance	1988	2002	13,778	13,749	7
EUGOWRA SEWERAGE	Eugowra	1994	1998	2,204	248	314
FLOOD SECURITY WORKS - BURRINJUCK DAM	Burrinjuck	1987	1999	80,706	76,706	2,100
FLOOD SECURITY WORKS - CHAFFEY DAM	Tamworth	1989	2005	13,361	1,789	305
FLOODPLAIN STUDY	Various	1992	1997	2,928	1,480	1,448
FORSTER/GREEN POINT SEWERAGE	Forster	1989	1997	10,910	7,738	220
GANMAIN SEWERAGE	Ganmain	1995	1998	1,876	20	600
GLENREAGH WATER SUPPLY	Glenreagh	1995	2000	500	1	110
GOULBURN SEWERAGE STAGE 2/3	Goulburn	1989	2001	5,490	3,300	285
GOULBURN WATER SUPPLY AUGMENTATION	Goulburn	1994	2001	4,400	309	120

PROJECT DESC

DEPARTM

GULGONG SEV

GUYRA SEWEF

HASTINGS DIS
STAGE 2A/2B

HAT HEAD SEV

HUNTER SEWE

HUNTER VALLE
PROJECTS

ILUKA WHARF I

JINDABYNE SEV

JUNCTION HILL
AUGMENTATIO

KEEPIT DAM FL

KEMPSEY WAT
EMERGENCY WKEMPSEY WAT
AND 2C

KEW KENDALL :

KINGSCLIFF SE

KYOGLE SEWEF

LIGHTNING RID

LIGHTNING RID
STAGE 2ALISMORE SEWE
STAGE 2B

MACKSVILLE SE

MACLEAN SEWE

MANILDRA - CUL

MANILLA SEWEF

MARULAN SEWE

MARULAN WATE
AUGMENTATION

MOAMA SEWER

MORUYA HEADS

MORUYA SEWEF

MOULAMEIN WA

LOCAL GOVERNMENT

ALLOCATION IN 1996-97 \$000	PROJECT DESCRIPTION	LOCATION	START	COMPLETE	ESTIMATED TOTAL COST \$000	EST. EXPEND TO 30-06-96 \$000	ALLOCATION IN 1996-97 \$000
DEPARTMENT OF LAND AND WATER CONSERVATION (cont'd)							
490	GULGONG SEWERAGE	Gulgong	1995	1997	1,925	813	1,050
425	GUYRA SEWERAGE	Guyra	1995	1999	1,850	247	600
750	HASTINGS DISTRICT WATER SUPPLY STAGE 2A/2B	Port Macquarie	1989	1997	3,914	3,818	96
265	HAT HEAD SEWERAGE	Hat Head	1995	2001	2,475	84	145
2,500	HUNTER SEWERAGE	Nelson Bay	1987	1999	151,410	124,639	8,950
2,000	HUNTER VALLEY FLOOD MITIGATION PROJECTS	Various	1994	1999	4,341	1,491	950
100	ILUKA WHARF RECONSTRUCTION	Iluka	1993	2002	870	568	232
850	JINDABYNE SEWERAGE	Jindabyne	1995	1997	500	10	400
1,149	JUNCTION HILL SEWERAGE AUGMENTATION	Junction Hill	1994	1999	2,775	123	750
2,500	KEEPIT DAM FLOOD SECURITY	Gunnedah	1994	2005	40,004	482	590
310	KEMPSEY WATER SUPPLY EMERGENCY WORKS	Kempsey	1994	1997	1,334	1,161	173
110	KEMPSEY WATER SUPPLY STAGE 2B AND 2C	Kempsey	1994	2002	8,400	2,656	1,000
2,408	KEW KENDALL SEWERAGE	Kew	1995	2001	5,850	80	155
3,260	KINGSCLIFF SEWERAGE	Kingscliff	1995	2001	1,200	25	120
425	KYOGLE SEWERAGE STAGE 1/2	Kyogle	1992	1998	938	673	205
658	LIGHTNING RIDGE SEWERAGE	Lightning Ridge	1994	1997	3,149	1,907	67
7	LIGHTNING RIDGE WATER SUPPLY STAGE 2A	Lightning Ridge	1992	1998	1,630	870	200
314	LISMORE SEWERAGE AUGMENTATION STAGE 2B	Lismore	1994	1998	8,950	4,648	2,400
2,100	MACKSVILLE SEWERAGE	Macksville	1995	1998	3,500	758	875
305	MACLEAN SEWERAGE	Maclean	1995	2001	2,100	75	141
1,448	MANILDRA - CUDAL WATER SUPPLY	Manildra	1995	1998	700	248	150
220	MANILLA SEWERAGE	Manilla	1995	1999	1,100	283	200
600	MARULAN SEWERAGE	Marulan	1993	1999	1,035	85	360
110	MARULAN WATER SUPPLY AUGMENTATION	Marulan	1994	1998	1,215	226	675
285	MOAMA SEWERAGE	Moama	1994	1997	2,085	1,934	150
120	MORUYA HEADS SEWERAGE	Moruya	1995	2000	4,400	45	400
	MORUYA SEWERAGE	Moruya	1995	1997	450	156	200
	MOULAMEIN WATER SUPPLY	Moulamein	1995	1999	585	45	180

PROJECT DESCRIPTION	LOCATION	START	COMPLETE	ESTIMATED TOTAL COST \$000	EST. EXPEND TO 30-06-96 \$000	ALLOCATION IN 1996-97 \$000
DEPARTMENT OF LAND AND WATER CONSERVATION (cont'd)						
MUDGEES SEWERAGE	Mudgee	1995	1999	1,350	124	158
MUDGEES WATER SUPPLY	Mudgee	1995	2000	5,200	199	360
MULWALA SEWERAGE	Mulwala	1995	2000	2,250	1	200
MUNGUNDI SEWERAGE	Mungundi	1995	1997	423	123	300
MURRAY DARLING BASIN NUTRIENT REDUCTION ENVIRONMENT PROGRAM	Various	1993	1999	20,100	13,230	6,500
MURRAY RIVER SEWERAGE PUMPOUT	Various	1993	2002	1,681	727	400
MURWILLUMBAH SEWERAGE AUGMENTATION	Murwillumbah	1994	1999	2,700	153	785
NAMBUCCA HEADS SEWERAGE	Nambucca Heads	1995	2000	3,500	55	550
NARRABRI WATER SUPPLY STAGE 1	Narrabri	1995	1999	500	105	100
NARROMINE SEWERAGE	Narromine	1994	1998	2,118	640	858
NEWCASTLE FISHING PORT FACILITIES	Newcastle	1995	2002	1,977	305	836
NIMMITABEL WATER SUPPLY	Nimmitabel	1991	1998	904	466	54
ORANGE WATER SUPPLY	Orange	1995	2000	3,250	75	250
PACIFIC PALMS SEWERAGE	Pacific Palms	1994	1998	12,740	6,426	2,750
PARKES SEWERAGE STAGE 1B	Parkes	1994	2002	3,000	1,177	10
PINDARI DAM ENLARGEMENT	Ashford	1990	2002	66,879	64,879	1,150
PORT MACQUARIE SEWERAGE STAGE 3A/3B	Port Macquarie	1992	1998	8,250	7,184	700
RATIONALISATION OF SCONE SOIL CONSERVATION SERVICE PROPERTIES	Scone	1995	1997	900	300	600
REFURBISHMENT OF BRIDGE ST BUILDING	Sydney	1992	2002	9,089	5,389	700
RESOURCE MANAGEMENT INFORMATION TECHNOLOGY SYSTEMS	Various	1993	1999	7,816	3,281	1,400
SCONE/ABERDEEN WATER SUPPLY STAGE 2	Scone	1995	2000	4,500	75	750
SHOALHAVEN CITY WATER SUPPLY STAGE 2B	Nowra	1995	2001	7,980	275	1,000
SHOALHAVEN WATER SUPPLY AUGMENTATION STAGE 4A	Nowra	1995	1998	5,000	2,953	1,500
SOUTH BALLINA BREAKWATER UPGRADE	Ballina	1995	2002	1,864	610	627
ST GEORGE BASIN SEWERAGE	Nowra	1991	1998	15,250	14,927	100
STATE FISHWAYS PROGRAM - PHASE	Various	1993	2002	5,291	741	400

PROJECT DESCRIPTION

DEPARTMENTSTATE RECREATION
INFRASTRUCTURE F

TAMWORTH SEWER

TAMWORTH WATER

TANTAWANGLO WA
STAGE 4ATANTAWANGLO WA
STAGE 4BTEA GARDENS/HAV
SEWERAGETEA GARDENS/HAV
SUPPLY

TOOLEYBUC WATE

TUMBARUMBA WA

TUMBULGUM SEW

TUMUT SEWERAG

TWEED RIVER RE:

TWEED RIVER SAI

URANA/OAKLAND

WAKOOL SEWER.

WAKOOL WATER

WARDELL SEWEI

WARREN SEWEF

WARREN WATEF

WATERVIEW - SE
SUPPLY

WHITTON SEWE

WOOLI WATER S

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LOCAL GOVERNMENT OFFICE

LOCATION 1996-97 \$000	PROJECT DESCRIPTION	LOCATION	START	COMPLETE	ESTIMATED TOTAL COST \$000	EST. EXPEND TO 30-06-96 \$000	ALLOCATION IN 1996-97 \$000
DEPARTMENT OF LAND AND WATER CONSERVATION (cont'd)							
158	STATE RECREATION AREAS - INFRASTRUCTURE PROJECTS	Various	1995	1999	6,614	508	2,037
360	TAMWORTH SEWERAGE STAGE 2A/2B	Tamworth	1995	2001	8,400	1,778	1,400
200	TAMWORTH WATER SUPPLY STAGE 2	Tamworth	1989	2002	6,000	4,570	10
300	TANTAWANGLO WATER SUPPLY STAGE 4A	Merimbula	1995	1999	1,297	814	37
6,500	TANTAWANGLO WATER SUPPLY STAGE 4B	Merimbula	1995	2000	1,125	15	268
400	TEA GARDENS/HAWKS NEST SEWERAGE	Hawks Nest	1994	1999	3,465	536	1,500
785	TEA GARDENS/HAWKS NEST WATER SUPPLY	Hawks Nest	1994	2001	1,760	81	80
550	TOOLEYBUC WATER SUPPLY	Tooleybuc	1995	1998	694	45	180
100	TUMBARUMBA WATER SUPPLY	Tumbarumba	1994	2000	680	65	110
858	TUMBULGUM SEWERAGE	Tumbulgum	1994	1997	1,200	1,070	31
836	TUMUT SEWERAGE	Tumut	1993	1997	3,065	2,641	351
54	TWEED RIVER RESTORATION	Tweed Heads	1994	2002	4,929	1,301	1,000
250	TWEED RIVER SAND BYPASS	Tweed Heads	1994	1999	21,018	6,007	4,880
2,750	URANA/OAKLANDS SEWERAGE	Urana	1994	1997	2,443	1,497	131
10	WAKOOL SEWERAGE	Wakool	1994	1999	775	61	150
1,150	WAKOOL WATER SUPPLY	Wakool	1995	2000	560	3	20
700	WARDELL SEWERAGE	Wardell	1994	2002	2,000	108	10
600	WARREN SEWERAGE	Warren	1995	2001	1,000	90	210
700	WARREN WATER SUPPLY	Warren	1994	1999	535	165	110
1,400	WATERVIEW - SEELANDS WATER SUPPLY	Waterview	1995	2000	400	315	80
750	WHITTON SEWERAGE	Whitton	1995	2000	900	55	110
1,000	WOOLI WATER SUPPLY	Wooli	1993	1998	720	275	400
							88,714
	TOTAL, MAJOR WORKS						89,414
1,500	MISCELLANEOUS MINOR WORKS						55,710
627	TOTAL, DEPARTMENT OF LAND AND WATER CONSERVATION						145,124

ESTIMATES 1996-97
MINISTER FOR LAND AND WATER CONSERVATION

ANNUAL APPROPRIATIONS FROM THE CONSOLIDATED FUND*

Agency	1995-96 Appropriation \$000	Revised \$000	1996-97 Appropriation \$000
53 DEPARTMENT OF LAND AND WATER CONSERVATION			
Recurrent Services	410,384	396,695	449,866
Capital Works and Services	28,133	29,383	23,450
	438,517	426,078	473,316
TOTAL, MINISTER FOR LAND AND WATER CONSERVATION			
Recurrent Services	410,384	396,695	449,866
Capital Works and Services	28,133	29,383	23,450
	438,517	426,078	473,316

* Summaries of payments from all funding sources, including the Consolidated Fund, are contained in the Appendices in Budget Paper No. 2 - "Budget Information"

SUMMARY OF AVERAGE STAFFING

Agency	Average Staffing (EFT)	
	1995-96	1996-97
DEPARTMENT OF LAND AND WATER CONSERVATION	2,931	2,867
TOTAL, MINISTER FOR LAND AND WATER CONSERVATION	2,931	2,867

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION**

FINANCIAL SUMMARY	1995-96		1996-97
	Budget \$000	Revised \$000	Budget \$000
OPERATING STATEMENT			
Expenses			
Operating expenses -			
Employee related	127,374	132,342	132,338
Other operating expenses	81,594	82,694	86,185
Maintenance	16,257	13,856	16,231
Depreciation	27,708	27,708	30,479
Grants and subsidies	186,606	188,491	196,755
Other services	85,284	64,284	131,909
Total Expenses	524,823	509,375	593,897
Less:			
Retained Revenue			
User charges revenue	58,192	60,986	63,755
Other departmental revenue	17,908	18,701	30,507
Total Retained Revenue	76,100	79,687	94,262
Plus: Loss/(Gain) on sale of non current assets	(2,000)	(2,000)	(2,000)
Net Cost of Services	446,723	427,688	497,635
Plus: Increase in receivables	3,100	11,239	...
Increase in agency cash balances	5,672	2,882	...
Gain on sale of non current assets	2,000	2,000	2,000
Less: Non funded expenses -			
Depreciation	27,708	27,708	30,479
Crown acceptance of agency liabilities	19,298	19,298	19,182
Increase in accrued expenses	105	108	108
Consolidated Fund Recurrent Appropriation	410,384	396,695	449,866
TOTAL CURRENT PAYMENTS	344,076	329,429	404,233

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INVESTING**Outflows**Acquisition
Advances

Less:

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Proceeds
Other age

Net Outflow:

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Total Capital

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION**

FINANCIAL SUMMARY (cont)	1995-96		1996-97 Budget \$000
	Budget \$000	Revised \$000	
INVESTING STATEMENT			
Outflows			
Acquisition of property, plant and equipment	36,082	37,332	30,360
Advances paid to other organisations	1,600	1,600	2,000
Less:			
Inflows			
Advances repaid by other organisations	1,300	1,300	1,510
Proceeds from sale of property, plant and equipment	7,049	6,479	5,710
Other agency sources of receipts	1,000	1,000	1,000
Net Outflows	28,333	30,153	24,140
Less: Decrease in agency cash balances	200	770	690
Consolidated Fund Capital Appropriation	28,133	29,383	23,450
CAPITAL PROGRAM			
Acquisition of property, plant and equipment	36,082	37,332	30,360
Capital grants and advances	124,191	123,641	128,904
Total Capital Program	160,273	160,973	159,264

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.1 Integrated Natural Resources Policy****53.1.1 Integrated Natural Resources Information**

Program Objective(s): To provide access to integrated land, water, vegetation, coastal and other natural resources information systems that provide Government and the community with cost effective information solutions.

Program Description: Development and management of integrated natural resources information systems. Development and coordination of inter-agency systems. Development of information standards and best practice. Provision of advice and development of improved access systems.

	Units	1993-94	1994-95	1995-96	1996-97
Outputs:					
Property, natural resources and primary spatial data -					
Digital land parcel records with quality of information improved	thous	n.a.	7	100	10
Natural resources data sets recorded	no.	n.a.	3,500	6,000	9,000
Integration of land information held by the Government, including natural resource -					
Integrated information records supplied to clients	mill	n.a.	1.55	1.55	1.60
Average Staffing:	EFT	14	18	20	18

	1995-96		1996-97
Budget		Revised	Budget
\$000		\$000	\$000

OPERATING STATEMENT

Expenses			
Operating expenses -			
Employee related	984	1,105	1,042
Other operating expenses	1,298	978	970
Maintenance	113	131	140
Depreciation	45	79	87
Total Expenses	2,440	2,293	2,239

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.1 Integrated Natural Resources Policy****53.1.1 Integrated Natural Resources Information (cont)****OPERATING STATEMENT(cont)**

Less:

Retained Revenue

User charges revenue -

Minor user charges

310 130 134

Other departmental revenue -

Interest

31 38 31

Grants from Budget Sector agencies

400

Total Retained Revenue

741 168 165

Net Cost of Services

1,699 2,125 2,074

Plus: Increase in receivables

... 5 ...

Increase in agency cash balances

20 14 ...

Less: Non funded expenses -

Depreciation

45 79 87

Crown acceptance of agency liabilities

145 161 159

Consolidated Fund Recurrent Appropriation

1,529 1,904 1,828

TOTAL CURRENT PAYMENTS

2,197 1,996 1,939

INVESTING STATEMENT**Outflows**

Acquisition of property, plant and equipment

183 322 290

Consolidated Fund Capital Appropriation

183 322 290

CAPITAL PROGRAM

Acquisition of property, plant and equipment

183 322 290

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION

53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.1 Integrated Natural Resources Policy**53.1.2 Integrated and Strategic Natural Resources Policy**

Program Objective(s): To develop and maintain a strategic and regulatory framework for natural resources management that ensures a balanced approach to meeting the environmental, economic and social needs of the present and future community of New South Wales.

Program Description: Development of policies and strategies for integrated natural resource management. Oversight and conduct of performance audits of the natural resources Government Trading Enterprises, corporatised resource agencies, and major extraction and user licencees. Review of and reporting on the sustainability of natural resource management.

Activities:	Average Staffing (EFT)	
	1995-96	1996-97
Policy analysis and development	37	35

	1995-96		1996-97
	Budget	Revised	Budget
	\$000	\$000	\$000
OPERATING STATEMENT			
Expenses			
Operating expenses -			
Employee related	1,426	1,385	1,375
Other operating expenses	1,499	644	635
Depreciation	729	59	65
Other services -			
Water licence regulator	280	280	280
Valley strategic planning *	526	...	...
Total Expenses	4,460	2,368	2,355

Less:

Retained Revenue

User charges revenue -			
Murray-Darling Basin Commission	403	...	...
Minor user charges	141	...	...
Other departmental revenue -			
Interest	23	...	...
Donations and industry contributions	84	...	...
Total Retained Revenue	651	...	...

Plus: Loss/(Gain) on sale of non current assets

	(61)	(61)	(61)
Net Cost of Services	3,748	2,307	2,294

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Consolidated Fund Re**TOTAL CURRENT PAYI****INVESTING STATEME**

Outflows
Acquisition of property

Less:
Inflows
Proceeds from sale of
Other agency sources

Consolidated Fund Capi**CAPITAL PROGRAM**

Acquisition of prop

Note: * Payments are no

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.1 Integrated Natural Resources Policy****53.1.2 Integrated and Strategic Natural Resources Policy (cont)****OPERATING STATEMENT (cont)**

Plus: Increase in agency cash balances	145	19	...
Gain on sale of non current assets	61	61	61
Less: Non funded expenses -			
Depreciation	729	59	65
Crown acceptance of agency liabilities	204	202	199
Increase in accrued expenses	3	...	...
Consolidated Fund Recurrent Appropriation	3,018	2,126	2,091
TOTAL CURRENT PAYMENTS	3,424	2,034	2,021

INVESTING STATEMENT

Outflows			
Acquisition of property, plant and equipment	145	322	290
Less:			
Inflows			
Proceeds from sale of property, plant and equipment	76	...	...
Other agency sources of receipts	2	...	...
Consolidated Fund Capital Appropriation	67	322	290

CAPITAL PROGRAM

Acquisition of property, plant and equipment	145	322	290
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Note: * Payments are now wholly reflected under program 53.2.2.

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1996-97

MINISTER FOR LAND AND WATER CONSERVATION

53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.1 Integrated Natural Resources Policy

53.1.3 Forestry Policy

Program Objective(s): To ensure sustainable management of New South Wales Forests. To secure optimal community benefits from forests and forest product industries.

Program Description: Development and maintenance of a strategic policy framework which facilitates the sustainable management of the State's forests. Administration of regulations. Oversight of the forestry industry structural reform agenda. Management of the purchase of forestry related community services.

Activities:

Policy analysis and development

Average Staffing (EFT)

1995-96 1996-97

14 12

1995-96	1996-97
Budget \$000	Budget \$000

OPERATING STATEMENT

Expenses

Operating expenses -			
Employee related	974	926	873
Other operating expenses	575	550	354
Maintenance	1	...	...
Depreciation	9	20	22
Grants and subsidies -			
State Forests - Hardwood Plantations	8,500	8,500	14,100
Government contribution to State Forests of NSW	14,557	14,557	14,557
Other services -			
Forest industry restructure package	35,000	12,000	66,000
Total Expenses	59,616	36,553	95,906
Net Cost of Services	59,616	36,553	95,906
Plus: Increase in agency cash balances	...	349	...

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OPERATING STAT

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CAPITAL PROGRAM

Acquisition of property
Capital grants and adv

Total Capital Program

PROGRAM RECEIPTS

Commonwealth paym
paid into Consolidat

Commonwealth Payr
Package

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION **53 DEPARTMENT OF LAND AND WATER CONSERVATION**

53.1 Integrated Natural Resources Policy**53.1.3 Forestry Policy (cont)****OPERATING STATEMENT (cont)**

Less: Non funded expenses -			
Depreciation	9	20	22
Crown acceptance of agency liabilities	144	135	133
Decrease in agency cash balances	304	...	...
Consolidated Fund Recurrent Appropriation	59,159	36,747	95,751
TOTAL CURRENT PAYMENTS	50,910	27,857	81,612

INVESTING STATEMENT

Outflows			
Acquisition of property, plant and equipment	20	322	290
Consolidated Fund Capital Appropriation	20	322	290

CAPITAL PROGRAM

Acquisition of property, plant and equipment	20	322	290
Capital grants and advances	8,500	8,500	14,100
Total Capital Program	8,520	8,822	14,390

PROGRAM RECEIPTS**Commonwealth payments and dedicated funds paid into Consolidated Fund**

Commonwealth Payment - Forest Industry Restructure Package	33,000
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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.2 State Water Management

53.2.1 Country Town Water, Sewerage and Drainage

Program Objective(s): To achieve water supply, sewerage and drainage services which meet community needs, protect public health and achieve sustainable environmental outcomes and which are appropriate, affordable, cost effective, well managed and make best use of regional resources.

Program Description: Financial and technical assistance to local government with investigation, design, construction and commissioning of water supply, sewerage and drainage schemes and associated works in areas not serviced by major urban water authorities. Assistance to local government to achieve best practice in planning, operations and maintenance of schemes and to meet the requirements of resource managers and other regulators. Provision of policy, legislative and other services to the Government.

	Units	1993-94	1994-95	1995-96	1996-97
Outputs:					
Physical infrastructure projects -					
Completed	no.	25	30	30	25
Under construction	no.	75	80	80	80
Projects grants for -					
Strategic business plans	\$m	n.a.	0.1	1.0	0.4
Asset management planning	\$m	n.a.	0.3	1.4	0.6
Physical infrastructure	\$m	80.0	80.0	83.0	49.5
Average Staffing:	EFT	87	92	65	65

OPERATING STATEMENT

Expenses

	1995-96 Budget \$000	Revised \$000	1996-97 Budget \$000
Operating expenses -			
Employee related	7,987	3,056	3,126
Other operating expenses	4,753	3,929	3,720
Depreciation	130	130	147
Grants and subsidies -			
Alternative funding (interest) subsidy	5,500	5,500	5,500
South West Tablelands - capital grants	200	50	40
Country Towns Water Supply and Sewerage Scheme - Local Government	75,000	75,000	67,000
Total Expenses	93,570	87,665	79,533

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53.2 State Water

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OPERATING STA

Less:
Retained Revenue
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Net Cost of Services

Plus: Increase in e
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Total Capital Program

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION **53 DEPARTMENT OF LAND AND WATER CONSERVATION**

53.2 State Water Management**53.2.1 Country Town Water, Sewerage and Drainage (cont)****OPERATING STATEMENT (cont)**

Less:

Retained Revenue

Other departmental revenue -

Donations and industry contributions

	12,000
--	-----	-----	--------

Total Retained Revenue

	12,000
--	-----	-----	--------

Net Cost of Services

93,570	87,665	67,533
--------	--------	--------

Plus: Increase in agency cash balances

Less: Non funded expenses -

Depreciation

Crown acceptance of agency liabilities

...	202	...
130	130	147
1,266	447	486

Consolidated Fund Recurrent Appropriation

92,174	87,290	66,900
--------	--------	--------

TOTAL CURRENT PAYMENTS

16,508	11,886	11,708
--------	--------	--------

INVESTING STATEMENT

Outflows

Acquisition of property, plant and equipment

...	318	303
-----	-----	-----

Consolidated Fund Capital Appropriation

...	318	303
-----	-----	-----

CAPITAL PROGRAM

Acquisition of property, plant and equipment

Capital grants and advances

...	318	303
75,200	75,050	67,040

Total Capital Program

75,200	75,368	67,343
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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.2 State Water Management

53.2.1 Country Town Water, Sewerage and Drainage (cont)

PROGRAM RECEIPTS

**Commonwealth payments and dedicated funds
paid into Consolidated Fund**

Commonwealth Payment - National Landcare Program	6,000	7,591	6,000
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53.2 State

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Outputs:

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.2 State Water Management****53.2.2 Water Resource Management**

Program Objective(s): To manage the development, use and protection of water resources in such a way as to achieve the mix of social, economic and environmental outcomes most acceptable to the community and which accords with Government policy.

Program Description: Management of the State's water resources by implementation of State policies in accordance with inter-State water agreements. Development of strategies for the collection and dissemination of water information, water sharing, regulation of rivers, management plans and operation of river control infrastructure.

Outputs:	Units	1993-94	1994-95	1995-96	1996-97
Valley strategic management plans in place	no.	n.a.	...	7	7
Water management plans in place for -					
Surface water	no.	...	2	7	10
Groundwater	no.	2	3	11	14
Wetlands	no.	2	3	5	7
Water data transactions to external clients	thous	20	21	23	24
Water licences managed	thous	37.7	41.2	42.0	43.0
Average Staffing:	EFT	658	658	554	565

1995-96	1996-97
Budget	Budget
\$000	\$000

OPERATING STATEMENT**Expenses**

Operating expenses -			
Employee related	28,633	27,283	28,660
Other operating expenses	9,723	17,254	19,004
Maintenance	574	326	349
Depreciation	5,133	2,589	2,845
Grants and subsidies -			
Contribution to Irrigation Areas and Districts	13,200	13,200	13,200
National Landcare *	8,730	527	345
Cobar Water Supply	106	106	106
Broken Hill Water Board	996	996	996
Pensioner rate rebates - Broken Hill Water Board	284	284	288
Darling River Weirs - subsidy to Bourke Shire Council	101	101	101
Murray-Darling Basin Commission	1,250
Water Management Fund grants	1,880

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.2 State Water Management

53.2.2 Water Resource Management (cont)

OPERATING STATEMENT (cont)

Other services -	500	500	500
N.S.W. - Queensland Border Rivers Commission	15,138	15,138	17,133
Murray Darling Basin Commission	386	386	398
Dams Safety Committee	...	200	...
Redundancies	6,775	5,673	2,167
Irrigation Areas and Districts works	155	...	...
Flood warning systems #	2,573	5,803	3,876
Valley strategic planning			
Total Expenses	93,007	90,366	93,098
Less:			
Retained Revenue			
User charges revenue -	725	865	900
Fees for services	165	341	340
Rental of cottages	1,349	2,419	2,991
Consulting services	200	164	206
Solicitors enquiry fees	9,795	2,061	1,855
Murray-Darling Basin Commission	569	787	811
River management agreements			
Services provided to departmental commercial activities	170	170	175
Income from water operations	12,250	19,970	16,724
Dams business account	1,600	1,427	2,476
Minor user charges	2,931	2,913	3,005
Other departmental revenue -			
Interest	470	888	748
Donations and industry contributions	1,749	417	441
Grants from Budget Sector agencies	78	78	78
Grants from other organisations	312	312	322
Total Retained Revenue	32,363	32,812	31,072
Plus: Loss/(Gain) on sale of non current assets	(1,276)	(1,276)	(1,276)
Net Cost of Services	59,368	56,278	60,750
Plus: Increase in receivables	600	11,066	...
Increase in agency cash balances	3,369	489	...
Gain on sale of non current assets	1,276	1,276	1,276

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION **53 DEPARTMENT OF LAND AND WATER CONSERVATION**

53.2 State Water Management**53.2.2 Water Resource Management (cont)****OPERATING STATEMENT (cont)**

Less: Non funded expenses -

Depreciation

5,133

2,589

2,845

Crown acceptance of agency liabilities

4,259

3,988

3,928

Increase in accrued expenses

67

28

28

Consolidated Fund Recurrent Appropriation

55,154

62,504

55,225

TOTAL CURRENT PAYMENTS

81,136

81,627

82,556

INVESTING STATEMENT**Outflows**

Acquisition of property, plant and equipment

2,236

3,723

4,551

Less:

Inflows

Proceeds from sale of property, plant and equipment

1,725

1,410

1,743

Other agency sources of receipts

32

...

...

Net Outflows

479

2,313

2,808

Consolidated Fund Capital Appropriation

479

2,313

2,808

CAPITAL PROGRAM

Acquisition of property, plant and equipment

2,236

3,723

4,551

Note: * The bulk of payments are now reflected under programs 53.3.1 and 53.3.2.

Payments are now reflected under the program 53.2.3.

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.2 State Water Management

53.2.3 Major Water Infrastructure

Program Objective(s): To ensure that all major rural water infrastructure is safe and productive.

Program Description: Maintenance, safety surveillance and refurbishment of major water infrastructure.

	Units	1993-94	1994-95	1995-96	1996-97
Outputs:					
Dam maintenance audits completed	no.	36	36	36	36
Five yearly dam safety inspections completed	no.	4	5	6	3
Gated weir maintenance audits completed	no.	16	22	22	22
Dam safety emergency plans completed	no.	n.a.	n.a.	5	5
Average Staffing:	EFT	152	155	223	225

	1995-96	1996-97
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT

Expenses

Operating expenses -			
Employee related	6,668	6,864	7,171
Other operating expenses	12,477	7,054	7,798
Maintenance	13,326	11,655	13,875
Depreciation	16,071	19,537	21,470
Other services -			
Redundancies	...	100	...
Research, monitoring and investigation of salinity and drainage problems	2,220	2,150	2,198
Flood warning systems *	...	155	158
Total Expenses	50,762	47,515	52,670

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Less:
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Total Retained R

Plus: Loss/(Ga

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.2 State Water Management****53.2.3 Major Water Infrastructure (cont)****OPERATING STATEMENT (cont)**

Less:

Retained Revenue

User charges revenue -

Rental of cottages	165	...	...
Consulting services	1,351	...	...
Murray-Darling Basin Commission	4,796	11,772	10,603
River management agreements	568	...	...
Income from water operations	4,700	...	3,000
Minor user charges	1,175	834	870
Other departmental revenue -			
Interest	189	...	...
Donations and industry contributions	705	...	...

Total Retained Revenue	13,649	12,606	14,473
-------------------------------	---------------	---------------	---------------

Plus: Loss/(Gain) on sale of non current assets	(511)	(511)	(511)
---	-------	-------	-------

Net Cost of Services	36,602	34,398	37,686
-----------------------------	---------------	---------------	---------------

Plus: Increase in receivables	2,300	...	...
Increase in agency cash balances	1,200	270	...
Gain on sale of non current assets	511	511	511
Less: Non funded expenses -			
Depreciation	16,071	19,537	21,470
Crown acceptance of agency liabilities	1,707	1,008	994
Increase in accrued expenses	27	...	...

Consolidated Fund Recurrent Appropriation	22,808	14,634	15,733
--	---------------	---------------	---------------

TOTAL CURRENT PAYMENTS	32,476	26,305	29,578
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1996-97

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1996-97

Budget

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7,171

7,798

13,875

21,470

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.2 State Water Management

53.2.3 Major Water Infrastructure (cont)

INVESTING STATEMENT

Outflows			
Acquisition of property, plant and equipment	9,222	16,221	9,954
Less:			
Inflows			
Proceeds from sale of property, plant and equipment	2,169	3,359	2,524
Other agency sources of receipts	13	50	50
Net Outflows	7,040	12,812	7,380
Consolidated Fund Capital Appropriation	7,040	12,812	7,380

CAPITAL PROGRAM

Acquisition of property, plant and equipment	9,222	16,221	9,954
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Note: * 1995-96 Budget Estimates included within program 53.2.2.

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Program Objective(s)

Program Description:

Outputs:

Land and water man:
Catchment Managerr
strategies publisher
Area effectively water
from Great Artesiar
Sites where water qu
salinity, turbidity an
Nutrient managemen
(cumulative)
Landcare groups for
Workshops transferri
resource managem

Average Staffing:

OPERATING STA1

Expenses

Operating expense
Employee relate
Other operating
Maintenance
Depreciation
Grants and subsid
National Landca
Assistance to G:
Soil conservatio
Hawkesbury Ne
Water Managme

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.3 Integrated Catchment Management Services****53.3.1 Catchment Management and Community Services**

Program Objective(s): To effect sustainable natural resource management through catchment based community and government programs and processes.

Program Description: Development of integrated catchment based natural resource management strategies. Operation of training, educational and works projects. Support for Total Catchment Management, Landcare and other community groups and programs.

	Units	1993-94	1994-95	1995-96	1996-97
Outputs:					
Land and water management plans completed	no.	n.a.	n.a.	5	7
Catchment Management Committees/Trusts' strategies published	no.	n.a.	n.a.	10	18
Area effectively watered by piping schemes from Great Artesian Basin	'000 ha.	60.7	64.6	70.0	90.0
Sites where water quality is regularly tested for salinity, turbidity and phosphorus	no.	35	50	70	89
Nutrient management models for catchments (cumulative)	no.	3	5	9	13
Landcare groups formed annually	no.	174	200	200	100
Workshops transferring sustainable natural resource management skills to landholders	no.	224	400	600	600
Average Staffing:	EFT	568	547	675	626

	1995-96	1996-97
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT**Expenses**

Operating expenses -			
Employee related	24,657	29,811	28,245
Other operating expenses	21,512	22,982	23,426
Maintenance	398	195	209
Depreciation	1,770	958	1,053
Grants and subsidies -			
National Landcare *	...	4,285	4,285
Assistance to Greening Australia	50	50	50
Soil conservation grants	7,581	10,191	7,581
Hawkesbury Nepean Catchment Trust	3,588	3,588	3,588
Water Management Fund grants	1,200

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.3 Integrated Catchment Management Services

53.3.1 Catchment Management and Community Services (cont)

OPERATING STATEMENT (cont)

Other services -			
Contribution to Kurnell Peninsula sand dune stabilisation	81	...	...
Redundancies	...	200	...
Irrigation Areas and Districts works	3,469	2,455	7,662
Blue green algae and river care management	3,140	3,736	5,645
Rehabilitation of artesian bores	1,118	1,118	2,048
Valley strategic planning #	538	...	...
West 2000 Program	...	...	800
Murray irrigation land and water management plans	8,982	6,155	12,979
Total Expenses	76,884	85,724	98,771
Less:			
Retained Revenue			
User charges revenue -	619	2,900	2,991
Murray-Darling Basin Commission	800	...	1,200
Income from water operations	288	1,133	1,168
Minor user charges			
Other departmental revenue -	408	465	372
Interest	131	2,336	2,469
Donations and industry contributions	800	700	700
Grants from Budget Sector agencies	300	...	...
Grants from other organisations	6,400	6,501	6,501
Other			
Total Retained Revenue	9,746	14,035	15,401
Plus: Loss/(Gain) on sale of non current assets	(94)	(94)	(94)
Net Cost of Services	67,044	71,595	83,276
Plus: Increase in receivables	200	54	...
Increase in agency cash balances	...	534	...
Gain on sale of non current assets	94	94	94
Less: Non funded expenses -	1,770	958	1,053
Depreciation	3,358	4,357	4,293
Crown acceptance of agency liabilities	5	40	40
Increase in accrued expenses	81	...	...
Decrease in agency cash balances			
Consolidated Fund Recurrent Appropriation	62,124	66,922	77,984
TOTAL CURRENT PAYMENTS	67,349	75,722	87,958

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.3 Integrated Catchment Management Services****53.3.1 Catchment Management and Community Services (cont)****INVESTING STATEMENT****Outflows**

Acquisition of property, plant and equipment	5,057	3,724	3,152
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Less:**Inflows**

Proceeds from sale of property, plant and equipment	2,433	1,710	1,443
---	-------	-------	-------

Other agency sources of receipts	2
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Net Outflows	2,622	2,014	1,709
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Consolidated Fund Capital Appropriation	2,622	2,014	1,709
--	--------------	--------------	--------------

CAPITAL PROGRAM

Acquisition of property, plant and equipment	5,057	3,724	3,152
--	-------	-------	-------

PROGRAM RECEIPTS**Commonwealth payments and dedicated funds
paid into Consolidated Fund**

Commonwealth Payment - National Landcare Program	10,292	13,225	16,849
--	--------	--------	--------

Commonwealth Payment - Willandra Lake World Heritage Area	...	1,000	2,000
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Note: * 1995-96 Budget Estimate included within program 53.2.2.

Payments now reflected under program 53.2.2.

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.3 Integrated Catchment Management Services

53.3.2 Coastal and Riverine Management

Program Objective(s): To conserve and restore the environment, productivity and public amenity of the State's coastal zone and riparian assets in an ecologically sustainable manner. To minimise the potential for damage to public and private assets from flood and coastal hazards.

Program Description: Development and implementation of local strategic management plans in partnership with councils, communities and catchment management committees. Identification and monitoring of the status of natural resources and hazards in the floodplain, coastal and riparian zones.

	Units	1993-94	1994-95	1995-96	1996-97
Outputs:					
Floodplain management plans adopted by councils	no.	31	35	43	50
Coast and estuary management plans adopted by councils	no.	4	6	8	12
Water based recreational facilities provided	no.	43	36	42	39
Average Staffing:	EFT	142	144	145	170

1995-96	1996-97
Budget \$000	Revised Budget \$000

OPERATING STATEMENT

Expenses			
Operating expenses -			
Employee related	5,062	8,264	9,752
Other operating expenses	10,247	11,449	12,745
Depreciation	703	705	799
Grants and subsidies -			
National Landcare *	...	3,340	5,600
Local councils for construction, repair and restoration of storm and flood damage	357	357	357
Local Government - capital grants	31,991	31,991	38,864
Other services -			
Fishing port maintenance	1,800	1,800	1,800
Redundancies	...	100	...
Port Hacking dredging	200	200	200
Blue green algae and river care management	1,029	3,280	3,608
Total Expenses	51,389	61,486	73,725

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION

53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.3 Integrated Catchment Management Services**53.3.2 Coastal and Riverine Management (cont)****OPERATING STATEMENT (cont)**

Less:

Retained Revenue

User charges revenue -

Murray-Darling Basin Commission	303	375	333
River management agreements	...	350	362
Minor user charges	106	...	...
Other departmental revenue -			
Interest	18	...	...
Donations and industry contributions	65	...	...
Levies on Local Government	500	...	...

Total Retained Revenue	992	725	695
-------------------------------	------------	------------	------------

Plus: Loss/(Gain) on sale of non current assets	(46)	(46)	(46)
---	------	------	------

Net Cost of Services	50,351	60,715	72,984
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Plus: Increase in agency cash balances	109	477	...
Gain on sale of non current assets	46	46	46

Less: Non funded expenses -			
Depreciation	703	705	799
Crown acceptance of agency liabilities	789	1,207	1,317
Increase in accrued expenses	2	10	10

Consolidated Fund Recurrent Appropriation	49,012	59,316	70,904
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TOTAL CURRENT PAYMENTS	17,593	27,165	32,322
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Budget
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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.3 Integrated Catchment Management Services

53.3.2 Coastal and Riverine Management (cont)

INVESTING STATEMENT

Outflows			
Acquisition of property, plant and equipment	7,928	1,272	1,240
Less:			
Inflows			
Proceeds from sale of property, plant and equipment	646	...	...
Other agency sources of receipts	951	950	950
Net Outflows	6,331	322	290
Consolidated Fund Capital Appropriation	6,331	322	290

CAPITAL PROGRAM

Acquisition of property, plant and equipment	7,928	1,272	1,240
Capital grants and advances	31,991	31,991	38,864
Total Capital Program	39,919	33,263	40,104

PROGRAM RECEIPTS

Commonwealth payments and dedicated funds paid into Consolidated Fund

Commonwealth Payment - National Landcare Program	9,100	7,000	13,400
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Note: * 1995-96 Budget Estimate included within program 53.2.2.

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53.3 Integrated

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Program Objective

Program Description

Outputs:

Land assessed in
Area
Cumulative %
Soil landscape ma
Central Divisions
Number
Cumulative %

Average Staffing:

OPERATING ST

Expenses

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Employee rel
Other operati
Maintenance
Depreciation
Grants and sub
Government
Other services
Contribution
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Redundancie

Total Expenses

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.3 Integrated Catchment Management Services****53.3.3 Soil and Vegetation Services**

Program Objective(s): To work with the community in achieving the sustainable management and conservation of the land, vegetation and related natural resources of New South Wales.

Program Description: Collection, evaluation and maintenance of natural resource data to enable the assessment, management and monitoring of the condition of land, including its soil and vegetation resources. Prevention and control of land degradation. Facilitation of land rehabilitation and soil and vegetation management.

	Units	1993-94	1994-95	1995-96	1996-97
Outputs:					
Land assessed in the Eastern and Central Divisions -					
Area	'000ha.	687.0	818.0	500.0	574.0
Cumulative % of the total mapped	%	5	7	8	8
Soil landscape maps completed of the Eastern and Central Divisions -					
Number	no.	4	4	4	4
Cumulative % of the total mapped	%	12	17	20	23
Average Staffing:	EFT	193	180	175	195

	1995-96	1996-97
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT**Expenses**

Operating expenses -			
Employee related	7,335	8,810	10,104
Other operating expenses	2,682	1,211	1,155
Maintenance	140	98	105
Depreciation	373	113	125
Grants and subsidies -			
Government contribution to Soil Business	3,100	3,100	3,752
Other services -			
Contribution to Kurnell Peninsula sand dune stabilisation	...	81	81
Redundancies	...	100	...
Total Expenses	13,630	13,513	15,322

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION

53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.3 Integrated Catchment Management Services**53.3.3 Soil and Vegetation Services (cont)****OPERATING STATEMENT (cont)**

Less:

Retained Revenue

User charges revenue -

Murray-Darling Basin Commission

82

...

...

Recoupment of administration cost from Non Budget

2,300

2,300

2,952

Sector bodies

29

...

...

Minor user charges

Other departmental revenue -

Interest

107

128

102

Donations and industry contributions

19

...

...

Total Retained Revenue

2,537

2,428

3,054

Plus: Loss/(Gain) on sale of non current assets

(12)

(12)

(12)

Net Cost of Services

11,081

11,073

12,256

Plus: Increase in receivables

...

15

...

Increase in agency cash balances

59

80

...

Gain on sale of non current assets

12

12

12

Less: Non funded expenses -

Depreciation

373

113

125

Crown acceptance of agency liabilities

1,151

1,286

1,265

Increase in accrued expenses

1

...

...

Consolidated Fund Recurrent Appropriation

9,627

9,781

10,878

TOTAL CURRENT PAYMENTS

11,678

11,747

13,585

INVESTING STATEMENT**Outflows**

Acquisition of property, plant and equipment

336

1,235

890

Consolidated Fund Capital Appropriation

336

1,235

890

CAPITAL PROGRAM

Acquisition of property, plant and equipment

336

1,235

890

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Program Ob**Program De****Outputs:**

Geographic
Sale and dis
Digital land
Maintenance
Crown land i
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Average Sta**OPERATIN****Expenses**

Operating
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Total Expen:

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.4 State Land Management****53.4.1 Spatial Land Information**

Program Objective(s): To provide land and natural resources information through the creation and maintenance of a statewide spatial data infrastructure.

Program Description: Collection, maintenance and provision of reliable and accessible land and geographic information. Development and provision of integrated products and services.

	Units	1993-94	1994-95	1995-96	1996-97
Outputs:					
Geographic data captured on computer (sq km p.a.)	mill	2.20	1.50	1.00	.50
Sale and distribution of map products (units p.a.)	thous	244	260	260	280
Digital land parcel records maintained (p.a.)	thous	n.a.	100	100	100
Maintenance of geographic data (sq km p.a.)	thous	n.a.	100	200	200
Crown land identification (parish maps p.a.)	no.	n.a.	1,500	2,250	2,200
Permanent survey marks positioned (p.a.)	no.	6,100	6,170	6,000	6,000
Average Staffing:	EFT	391	396	477	446

1995-96		1996-97
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT**Expenses**

Operating expenses -			
Employee related	17,152	19,353	17,971
Other operating expenses	7,823	10,285	9,611
Maintenance	1,322	1,191	1,275
Depreciation	1,673	2,525	2,775
Other services -			
Redundancies	...	100	...
Contribution to Board of Surveyors	...	300	300
Total Expenses	27,970	33,754	31,932

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520

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION
53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.4 State Land Management

53.4.1 Spatial Land Information (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue

User charges revenue -	8,000	8,000	8,252
Land Information Centre			
Other departmental revenue -	360	693	554
Interest	1,500	2,549	2,549
Other			

Total Retained Revenue

9,860 11,242 11,355

Net Cost of Services

18,110 22,512 20,577

Plus: Increase in receivables ... 80 ...
Increase in agency cash balances 1,086 134 ...

Less: Non funded expenses -
Depreciation 1,673 2,525 2,775
Crown acceptance of agency liabilities 2,450 2,784 2,742
Increase in accrued expenses ... 10 10

Consolidated Fund Recurrent Appropriation

15,073 17,407 15,050

TOTAL CURRENT PAYMENTS

22,939 27,516 25,537

INVESTING STATEMENT

Outflows

Acquisition of property, plant and equipment 6,819 5,627 4,350

Consolidated Fund Capital Appropriation

6,819 5,627 4,350

CAPITAL PROGRAM

Acquisition of property, plant and equipment 6,819 5,627 4,350

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Outputs:

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OPERATION

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ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.4 State Land Management****53.4.2 State Lands Services**

Program Objective(s): To manage the Crown Land of New South Wales for the benefit of the community ensuring proper land stewardship, natural resource management and sustainable land use.

Program Description: Assessment and allocation of Crown Land. Provision and maintenance of the Crown Reserve system to meet community needs. Administration of Crown Land tenures, Crown roads, and Aboriginal land claims. Development and marketing of Crown Land.

	Units	1993-94	1994-95	1995-96	1996-97
Outputs:					
Community involvement in Crown Land facilitated through -					
Community trusts serviced	no.	1,803	903	888	930
Local government trusts serviced	no.	4,055	4,070	4,444	4,500
Commons serviced	no.	n.a.	200	200	200
State recreation area trusts serviced	no.	10	10	10	8
Incorporated community organisations serviced	no.	n.a.	694	667	680
Administration of Crown Land -					
Crown Land dealings processed	thous	28.0	27.0	26.0	27.0
Crown tenures administered	thous	96	95	95	94
Allotments of Crown Land developed and sold	no.	300	439	445	500
Administration of Aboriginal land claims -					
Claims finalised	no.	235	370	500	660
Claims granted -					
Number	no.	18	140	220	n.a.
Area	hectares	1,165	1,505	3,500	n.a.
Land value	\$m	20.7	21.9	35.0	n.a.
Average Staffing:	EFT	571	539	546	510

1995-96		1996-97
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT**Expenses**

Operating expenses -			
Employee related	26,496	25,485	24,019
Other operating expenses	9,005	6,358	6,767

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION**53 DEPARTMENT OF LAND AND WATER CONSERVATION****53.4 State Land Management****53.4.2 State Lands Services (cont)****OPERATING STATEMENT (cont)**

Expenses			
Maintenance	383	260	278
Depreciation	1,072	993	1,091
Grants and subsidies -			
Wild Dog Destruction Board	200	200	200
State Recreation Area Trusts	977	977	1,008
Valuer General's Office	3,300	3,300	3,000
Public Reserves -			
Operating grants	1,388	1,791	1,007
Capital grants	6,900	6,500	6,900
Other services -			
Improvement of land and community facilities	74	74	76
Redundancies	...	200	...
Willandra Lakes World Heritage Area	1,000	2,000	4,000
Contribution to Board of Surveyors	300	...	...
Total Expenses	51,095	48,138	48,346
Less:			
Retained Revenue			
User charges revenue -			
Miscellaneous services	450	405	464
Stock agistment on dam foreshores	882	836	910
Recoupment of administration cost from Non Budget			
Sector bodies	650	544	743
Minor user charges	320	290	290
Other departmental revenue -			
Interest	709	743	724
Taxes, fines and regulatory fees	1,800	1,803	1,857
Grants from Budget Sector agencies	300	300	300
Grants from other organisations	...	300	309
Other	450	450	450
Total Retained Revenue	5,561	5,671	6,047
Net Cost of Services	45,534	42,467	42,299

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Capital grants

Total Capital Pro

ESTIMATES 1996-97

MINISTER FOR LAND AND WATER CONSERVATION

53 DEPARTMENT OF LAND AND WATER CONSERVATION

53.4 State Land Management**53.4.2 State Lands Services (cont)****OPERATING STATEMENT (cont)**

Plus: Increase in receivables	...	19	...
Increase in agency cash balances	69	314	...
Less: Non funded expenses -			
Depreciation	1,072	993	1,091
Crown acceptance of agency liabilities	3,825	3,723	3,666
Increase in accrued expenses	...	20	20

Consolidated Fund Recurrent Appropriation	40,706	38,064	37,522
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TOTAL CURRENT PAYMENTS	37,866	35,574	35,417
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INVESTING STATEMENT

Outflows			
Acquisition of property, plant and equipment	4,136	4,246	5,050
Advances paid to other organisations	1,600	1,600	2,000

Less:

Inflows			
Advances repaid by other organisations	1,300	1,300	1,510

Net Outflows	4,436	4,546	5,540
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Less: Decrease in agency cash balances	200	770	690
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Consolidated Fund Capital Appropriation	4,236	3,776	4,850
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CAPITAL PROGRAM

Acquisition of property, plant and equipment	4,136	4,246	5,050
Capital grants and advances	8,500	8,100	8,900

Total Capital Program	12,636	12,346	13,950
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